

Incorporated 1927

Town of Lake Lure

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MINUTES OF THE EMERGENCY COUNCIL MEETING OF THE LAKE LURE TOWN COUNCIL HELD TUESDAY, NOVEMBER 15, 1994, 9:00 A.M. AT THE LAKE LURE TOWN HALL

PRESENT: Mayor Max E. Lehner
Mayor Pro-tem Bud Schichtel
Commissioner Bill Bush
Commissioner Bill Church
Commissioner Jack Donovan

ABSENT: N/A

CALL TO ORDER

Mayor Lehner called the meeting to order at approximately 9:00 a.m. and requested the clerk to note that a quorum was present.

Mayor Lehner also stated that the Emergency meeting was held for the purpose of approving two documents (resolution and incumbency certificate) required for the closing on the loan for the New Government Center scheduled today (Tuesday, November 15, 1994) after this meeting.

INVOCATION

Commissioner Church gave the invocation

**RESOLUTION APPROVING TERMS OF THE TOWN OF LAKE
LURE FINANCING, FOR A MAXIMUM AMOUNT OF
\$1,253,150.00, WITH SOUTHERN NATIONAL LEASING CORP.
("SNLC")**

Mayor Lehner recommended that Council adopt the following resolution:

**Resolution Approving Terms
of the Town of Lake Lure Financing,
For a Maximum Amount of \$1,253,150.00,
With Southern National Leasing Corp. ("SNLC")**

WHEREAS, the Town of Lake Lure, North Carolina (the "Unit"), has previously approved and determined to undertake a plan for the financing, construction, renovations and acquisition (the "Projects") of the Town Hall (the "Facilities"); and

WHEREAS, there have been presented the following draft agreements (the "Agreements") which the Unit proposes to execute in connection with the project, copies of which shall be filed with the Unit's records:

(a) A draft of a Financing Agreement and Deed of Trust to be dated as of November 15, 1994 (the "Financing Agreement"), from the Unit to a deed of trust trustee for SNLC's benefit, providing for SNLC to finance the Unit's undertaking of the Project, and providing a security interest in the Facility and associated property to SNLC to secure the Unit's performance of its obligations under the Financing Agreement; and

(b) A draft of an escrow agreement to be dated as of November 15, 1994 (the "Escrow Agreement"), between the Unit, SNLC and Southern National Bank of North Carolina, as escrow agent, providing for the custody of financing proceeds pending their application to Project costs.

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TOWN OF LAKE LURE, NORTH CAROLINA:

1. The Unit hereby affirms its decision to undertake the Project. The Unit hereby determines to accept a proposal from SNLC to finance the Project in accordance with the plan of financing described in the Agreements referenced above.

2. The Unit's Mayor is hereby authorized and directed to execute the Agreements and to deliver the same to the appropriate counterparties, and the Clerk (or any assistant clerk) is hereby authorized and directed to affix the Unit's seal to the Agreements and to attest the same. The Agreements shall be in substantially the forms submitted to this meeting, which are hereby approved, with such changes as may be approved by the officer executing such agreement, such officer's execution to constitute conclusive evidence of approval of any such changes. The Agreements in final form, however, must provide (a) for the Unit to finance a total amount of not more than \$1,253,150.00 and (b) for the Unit's obligation to repay the amounts advanced to bear interest at an annual rate of not more than 9.35%.

3. The Unit's payment of Installment Payments, as defined in the Financing Agreement, shall be subject to annual appropriation of funds by the Council. The Unit shall not be obligated to make any Installment Payments beyond those for which funds have been appropriated in the Unit's sole discretion during the Unit's then current fiscal year. The Financing Agreement shall not constitute a pledge of the Unit's full faith and credit. Neither the Unit's full faith and credit nor its taxing power is pledged directly, indirectly or contingently to secure any moneys due SNLC.

4. The Unit's officers are hereby authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the execution and delivery of the Agreements and the consummation of the transactions contemplated thereby, including delivering a certificate setting forth the expected use and investment of the proceeds to be derived from the

execution and delivery of the Financing Agreement (the "Proceeds"), and to make any elections such officers deem desirable regarding any provision requiring rebate of earnings to the United States, for purposes of complying with the provisions of the Internal Revenue Code of 1986, as amended, including applicable Treasury regulations (the "Code"), applicable to "arbitrage bonds."

5. The Unit shall not take or omit to take any action the taking or omission of which will cause its obligations to pay Installment Payments (the "Obligations") to be "arbitrage bonds," within the meaning of Code Section 148, or otherwise cause interest components of Installment Payments to be includable in the gross income for Federal income tax purposes of the registered owners of the Obligations. Without limiting the generality of the foregoing, the Unit shall comply with any provision of the Code that may require the Unit at any time to pay to the United States any part of the earnings derived from the investment of the Proceeds. The Unit shall pay any such required rebate from its general funds.

6. The Unit hereby designates the Obligations as "qualified tax-exempt obligations" for the purpose of Code Section 265(b) (3). Barring circumstances unforeseen as of the date of delivery of the Financing Agreement, the Unit will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of its "subordinate" entities (and all entities which issue tax-exempt obligations on behalf of the Unit and its subordinate entities), if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued in 1994 by the Unit and such other entities, result in the Unit and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in 1994 (not including private activity bonds other than qualified 501 (c) (3) bonds), including the Obligations.

7. All other actions of Unit officers in conformity with the purposes and intent of this resolution and in furtherance of the execution and delivery of the Agreements and the consummation of the transactions contemplated thereby are hereby approved and confirmed.

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8. All other resolutions or parts thereof in conflict herewith are hereby repealed.

9. This resolution shall take effect immediately.

By: _____

Title: _____

Attested By: _____

SEAL

After discussion among Council, Commissioner Bush moved, seconded by Commissioner Schichtel, to adopt the resolution approving terms of the Town of Lake Lure Financing, for a maximum amount of \$1,253,150.00, with Southern National Leasing Corp. ("SNLC") as presented. The vote of approval was unanimous.

INCUMBENCY CERTIFICATE

Mayor Lehner recommended that Council approve the following incumbency certificate:

INCUMBENCY CERTIFICATE

The undersigned hereby certifies as follows to Southern National Leasing Corp.:

The governing board of the Town of Lake Lure, North Carolina, consists of 5 members. The members holding office at all times from September 1, 1994 to date and their terms of office are as follows:

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Member	Beginning of Term	End of Term
Max E. Lehner	Nov. 23, 1993	Nov. 1995
Jack Donovan	Nov. 26, 1991	Nov. 1995
Frederick Bill Church	Nov. 23, 1993	Nov. 1995
William R. Bush	Nov. 23, 1993	Nov. 1997
Henry Bud Schichtel	Nov. 23, 1993	Nov. 1997

From the date of the adoption of the Resolution as defined below, through today, the below-named persons have at all times been the duly elected or appointed and qualified incumbents of the respective offices set forth opposite their names, and the signatures set forth opposite their names are their genuine signatures.

Name	Title	Signature
Max E. Lehner	Mayor	
Henry Bud Schichtel	Mayor-Protem	
Jack Donovan	Commissioner	
Frederick Bill Church	Commissioner	
William R. Bush	Commissioner	

The Unit's Attorney is James Christopher Callahan, who serves in such capacity at the Board's pleasure.

Each of the persons named above required by law to do so has duly qualified for office by taking the oath prescribed by law on or before the day on which his or her term of office began and, where required, by giving an official bond conditioned according to law.

The Board's regular meeting dates are the second and fourth Tuesdays of each month. Pursuant to North Carolina General Statutes 143-318.12(a), a current copy of the schedule of the Board's regular meetings has been on file with me since prior to December 1, 1993.

The following resolution Approving Terms of the Town of Lake Lure Financing, for a Maximum Amount of \$1,253,150.00, with Southern National Leasing Corp. ("SNLC") was duly adopted on the date thereon indicated at a meeting duly called and held at which a quorum was present and acting throughout. The Resolution has not been repealed, revoked, rescinded or amended, but remains in full force and effect as of the date hereof:

Resolution Approving Terms of Town Hall for a maximum amount of \$1,253,150.00 with Southern National Leasing Corp.

The seal impressed below is the Unit's official seal and has been the Unit's official seal since prior to January 1, 1994.

Witness my signature and the seal of the Town of Lake Lure, North Carolina, this 15th day of November, 1994.

Clerk, Governing Body
Town of Lake Lure, North Carolina

The undersigned Attorney for the Town of Lake Lure, North Carolina, hereby certifies that the above is the true and genuine signature of the indicated Clerk.

Town Attorney

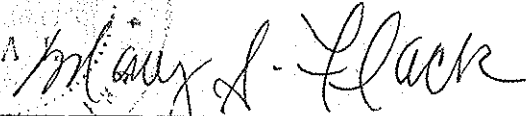
Commissioner Schichtel moved, seconded by Commissioner Bush, to approve the incumbency certificate as presented. The vote of approval was unanimous.

COUNCIL COMMENTS

With no further items of discussion, Commissioner Bush moved, seconded by Commissioner Church, to adjourn the meeting. The vote of approval was unanimous.

ATTEST:





Mary A. Flack, CMC/AAE



Mayor Max E. Lehner