

**CITY COUNCIL
REGULAR MEETING
COUNCIL CHAMBERS
308 E. Stadium Drive
September 19, 2017
6:00 p.m.**

1. Meeting called to order by: Wayne Tuggle, Sr., Mayor
2. Invocation: Jerry Ellis, Eden City Council
3. Pledge Of Allegiance: Tommy Underwood, Fire Chief
4. Proclamations & Resolutions:
 - a. National Manufacturing Day Resolution. **Mike Dougherty, Director of Economic Development**
 - b. Constitution Week Proclamation. **Jenny Jones, DAR**
5. Roll Call:
6. Set Meeting Agenda:
7. Public Hearings:
 - a. (1) Consideration of a zoning map amendment request and adoption of an Ordinance to rezone the rear portion of 1126 Trogdon Drive and 2 adjoining parcels from Residential – 20 to Office & Institutional. Request submitted by William Lee Turner, Property Owner. The request was amended by the Planning Board to include 1150 Klyce Street and adjoining properties owned by the City of Eden. ZONING CASE Z-17-04. **Kelly Stultz, Director of Planning & Inspections**
 - (2) Consideration of a Resolution adopting a statement of consistency regarding the rezoning of the rear portion of 1126 Trogdon Drive and 2 adjoining parcels from Residential – 20 to Office & Institutional. Request submitted by William Lee Turner, Property Owner. The request was amended by the Planning Board to include 1150 Klyce Street and adjoining properties owned by the City of Eden. **Kelly Stultz, Director of Planning & Inspections**
 - b. Consideration and Approval of General Fund Street Resurfacing Projects Financing and Adoption of Resolution. **Tammie McMichael, Director of Finance & Personnel**
8. Requests And Petitions Of Citizens:
9. Unfinished Business:
10. New Business:
 - a. Consideration of a Request for the City Council to ask the City Clerk to investigate the sufficiency of annexation petitions for properties located at 889 Morgan Road and 893 Morgan Road. **Kelly Stultz, Director of Planning & Inspections**
11. Reports From Staff:
 - a. City Manager’s Report. **Brad Corcoran, City Manager**

12. Consent Agenda:

- a. Approval and Adoption of Minutes: August 15, 2017. **Sheralene Thompson, City Clerk**
- b. Approval of Police Vehicle 5-Year Financing and Adoption of Resolution. **Tammie McMichael, Director of Finance & Personnel**
- c. Consideration of a Request for City Council to Purchase Land Adjacent to the Mebane Bridge Wastewater Treatment Plant. **Terry Shelter, Director of Public Utilities**
- d. Approval and Adoption of Resolution Supporting a NC Rural Infrastructure Authority Grant to Upgrade the New Street Sewer Line. **Mike Dougherty, Director of Economic Development**
- e. Approval and Adoption of Resolution Authorizing State Grant/Loan Assistance Application for Wastewater Collection and Transmission System Rehabilitation. **Terry Shelton, Environmental Services**
- f. Approval and Adoption of Resolution Authorizing State Loan Assistance Application for Water Line Extension Out of Town. **Terry Shelton, Environmental Services**
- g. Approval and Adoption of Resolution Authorizing State Loan Assistance Application for Water Extension In Town. **Terry Shelton, Environmental Services**

13. Announcements:

Adjourn



**PROCLAMATION DECLARING OCTOBER 6, 2017
“NATIONAL MANUFACTURING DAY”
IN THE CITY OF EDEN**

WHEREAS, National Manufacturing Day is a celebration of modern manufacturing meant to inspire the next generation of manufacturers; and

WHEREAS, National Manufacturing Day will be recognized with several events commemorating area manufacturers; and

WHEREAS, approximately 130 manufacturing companies located throughout Eden and Rockingham County provide well-paying manufacturing jobs for employees and contribute to broad-based prosperity; and

WHEREAS, The City of Eden and Rockingham Community College work with local industries to maximize success through quality workforce training; and

WHEREAS, one of the keys to America’s greatness is its ability to make things, to devise and develop new products from the ingenuity and skill of manufacturers; and

NOW, THEREFORE, BE IT RESOLVED, that the Eden City Council does hereby proclaim October 6, 2017 as “National Manufacturing Day” in the City of Eden in recognition and appreciation to the many manufacturing companies of our community.

This the 19th day of September, 2017.

(SEAL)

**Wayne R. Tuggle Sr.
Mayor**

ATTEST:

Sheralene Thompson, City Clerk



Economic Development Department

September 6, 2017

To: The Honorable Mayor and Eden City Council

Thru: Brad Corcoran, Eden City Manager

From: Mike Dougherty, Director of Economic Development

Re: National Manufacturing Day Resolution

The attached National Manufacturing Day Resolution is requested to be read by Mayor Wayne Tuggle at the September 19, 2017 City Council meeting. National Manufacturing Day is October 6, 2017. During the week of October 2, 2017, a series of special events will take place in Rockingham County and the Piedmont Triad Region. The resolution is in recognition of the impact of manufacturing jobs and the companies that supply them in Eden and Rockingham County.

Please let me know if you have any questions concerning this request.

Thank you very much.



PROCLAMATION

WHEREAS, the Constitution of the United States, the guardian of our liberties, is a product of reflection and choice, embodying the principles of limited government in a Republic dedicated to rule by law, not by men; and

WHEREAS, September 17, 2017 marks the two hundred thirtieth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this memorable anniversary, and to the patriotic exercises that will commemorate the occasion; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States designating September 17 through 23 as Constitution Week,

NOW, THEREFORE I, Wayne R. Tuggle, Sr., as Mayor of the City of Eden do hereby proclaim the week of September 17 through 23 as

CONSTITUTION WEEK

And urge all citizens to study the Constitution, and reflect on the privilege of being an American with all the rights and responsibilities which that privilege involves.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Eden to be affixed this 19th day of September of the year of our Lord two thousand and seventeen.

Signed,

Wayne R. Tuggle, Sr.
Mayor

Attest:

Sheralene Thompson, City Clerk



City of Eden

MEMO

TO: Honorable Mayor and City Council
THRU: Brad Corcoran, City Manager
FROM: Kelly K. Stultz, AICP, Director
SUBJECT: Zoning Case Z-17-04 – 1126 Trogdon Drive
DATE: September 7, 2017

The City has received a zoning map amendment request filed by William Lee Turner, Property Owner, to rezone the rear portion of 1126 Trogdon Drive and 2 adjoining parcels from Residential – 20 to Office and Institutional.

The Planning and Inspections Department recommends approval of the map amendment request as amended to include the City of Eden Public Works property at 1050 Klyce Street, a portion of the City of Eden property known as 1039 West Avenue and eight (8) vacant lots off of Klyce Street to be rezoned from Residential-20 and Residential-12 to Office and Institutional. Attached is a zoning map showing the subject property along with the amended property.

At their August 22, 2017, regular meeting, the Planning Board voted to recommend that the City Council approve this request as amended to include the additional parcels and adopt a Resolution Adopting A Statement of Consistency Regarding the Proposed Amendment. The additional parcels are to be rezoned from Residential-20 and Residential-12 to Office and Institutional.

If you have questions, please contact this office.

CERTIFICATE SHOWING THAT NOTICES WERE MAILED TO THE OWNER(S) OF PROPERTY SUBJECT TO REZONING AND TO OWNER(S) OF ALL PARCELS OF LAND ABUTTING SUBJECT PROPERTY AND/OR WITHIN 100 FEET OF SUBJECT PROPERTY

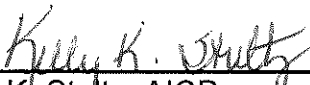
RE: ZONING CASE Z-17-04
1126 TROGDON DRIVE

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF EDEN:

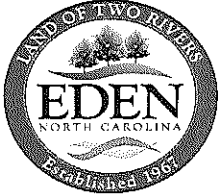
I, Kelly K. Stultz, Planning & Inspections Director of the City of Eden North Carolina, do hereby certify that notices of the proposed zoning map amendment requested by William Lee Turner, Property Owner, to rezone the rear portion of 1126 Trogdon Drive and 2 adjoining parcels from Residential – 20 to Office and Institutional were mailed first-class mail to the owners of property in the proposed rezoning and all property owners adjacent to or within 100 feet of the subject area on the 7th day September, 2017.

A Notice was hand delivered on September 7, 2017, to the property owner whose property would be added to the map amendment request and by first class mail to all property owners adjacent to or within 100 feet of the property that would be added to the map amendment request.

IN WITNESS WHEREOF, I have hereunto set my hand this the 7th day of September, 2017.



Kelly K. Stultz, AICP
Planning and Inspections Director



PLANNING & INSPECTIONS DEPARTMENT
APPLICATION FOR ZONING ORDINANCE AMENDMENT

PETITION FOR MAP AMENDMENT

INSTRUCTIONS: Please complete this application and provide the required information. In order for this application to be accepted, all applicable sections of this form must be completed, all required information provided and the application fee paid at the time of submittal.

(1) APPLICANT INFORMATION:

NAME: William Lee Turner TELEPHONE: 336-627-7552 h/m
MAILING ADDRESS: 1126 S Trogdon Dr
CITY Eden STATE NC ZIP CODE 27288
APPLICANT'S PROPERTY INTEREST OR LEGAL RELATIONSHIP TO OWNER(S): owner

(2) PROPERTY OWNER INFORMATION:

NAME: William Lee Turner TELEPHONE: 336-627-7552
MAILING ADDRESS: 1005 Fields St
CITY Eden STATE NC ZIP CODE 27288

(3) PROPERTY INFORMATION:

TAX PROPERTY IDENTIFICATION NUMBER(S)(PIN): 138560, 138559, 138558
1126 Trogdon Dr, Simpson St
STREET LOCATION: _____
DEED BOOK: _____ PAGE NUMBER _____
YEAR CURRENT OWNER ACQUIRED PROPERTY: 2015
PROPERTY SIZE (in acres or in square feet if less than 1 acre): _____
PUBLIC WATER AVAILABLE YES NO PUBLIC SEWER AVAILABLE YES NO
CURRENT USE OF PROPERTY: Residential woodworking shop and office

(4) ZONING INFORMATION:

EXISTING ZONING DISTRICT: R20 REQUESTED ZONING DISTRICT: Ord I

(5) ADDITIONAL INFORMATION:

INCLUDE WITH THIS APPLICATION A COPY OF THE RECORDED DEED TO THE PROPERTY.

INCLUDE WITH THIS APPLICATION A COPY OF THE RECORDED PLAT OR SURVEY FOR THE PROPERTY. IF SUCH A PLAT DOES NOT EXIST, THEN INCLUDE A MAP THAT INDICATES THE DIMENSIONS OF THE PROPERTY.

(6) APPLICANT CERTIFICATION:

I hereby certify that, to the best of my knowledge, the information shown on this application is true and accurate, and that I hereby petition the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

W. J. Turner
Applicant's Signature

7/25/2017
Date of Signature

(7) PROPERTY OWNER(S) CERTIFICATION:

I hereby certify that, to the best of my knowledge, the information shown on this application is true and accurate, and that I hereby petition the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

W. J. Turner
Property Owner's Signature

7/25/2017
Date of Signature

Property Owner's Signature

Date of Signature

(8) CORPORATION CERTIFICATION:

IT IS HEREBY CERTIFIED, that _____, a Corporation, is the owner in fee simple of lands which is described in this application for zoning ordinance amendment and that the Corporation hereby petitions the Planning Board to recommend and the City Council to approve this application for zoning ordinance amendment.

IN TESTIMONY WHEREOF, that said Corporation has caused these presents to be signed by its duly authorized officer and has caused its Corporate Seal to be affixed thereto.

Witness the signature(s) and seal(s) this _____ day of _____, 20_____.

CORPORATE SEAL

Secretary

Name of Corporation

By: _____

President

DEPARTMENTAL USE ONLY

APPLICATION NUMBER: 2-17-04

FEE PAID: _____

RECEIVED BY: _____

DATE: _____

PLANNING AND INSPECTIONS DEPARTMENT
ZONING CASE REPORT
August 15, 2017

CASE NUMBER:	Z-17-04
EXISTING ZONING DISTRICT:	R-20
REQUESTED ZONING DISTRICT:	O&I
APPLICANT:	William Lee Turner
APPLICANT'S STATUS:	Property Owner

PROPERTY INFORMATION

LOCATION:	Rear portion of 1126 Trodgon Dr. Parcel # 138559 (off of Trodgon Dr.) Parcel #138558 (off of Simpson St.)
PIN:	7979-1314-3729 7979-1314-3569 7979-1314-2497
SIZE:	Approx. 1.3 acres
ACCESS:	Trodgon Drive, Simpson Street
LAND USE:	One parcel containing a garden and woodworking shop, two vacant parcels
PHYSICAL CHARACTERISTICS:	Residential developed; residential undeveloped
ZONING HISTORY:	Zoned R-20 at time of original zoning

AREA INFORMATION

CHARACTERISTICS:	Bordered on all sides by R-20 residential property containing single family dwellings (north, east and west) and City of Eden Public Works property to the south	
ADJACENT ZONING:	North:	R-20
	South:	R-20
	East:	R-20
	West:	R-20

PLANNING AND DEVELOPMENT INFORMATION

STREET IMPROVEMENTS:	Yes
PUBLIC WATER AVAILABLE:	Yes

PUBLIC SEWER AVAILABLE: Yes
LAND DEVELOPMENT PLAN (2007): Traditional Neighborhood
FLOOD HAZARD AREA: None
WATER SUPPLY WATERSHED: WS-IV

STAFF ANALYSIS

The request is to rezone approximately 1.3 acres from Residential-20 to Office and Institutional. The R-20 residential district is established as a district in which the principal use of the land is for single-family residences. The regulations of this district are intended to protect existing residential areas with minimum lot sizes of 20,000 square feet and to encourage, in selected portions of the incorporated area, the subdivision of undeveloped property into lots with a minimum of 20,000 square feet. The O & I district is established primarily for office and institutional uses which have only limited contact with the general public and which have no offensive noises, odors, smoke, fumes, and other objectionable conditions. As residences are permitted in this district and as the district is usually adjacent to residential districts, provisions are made for yards, off-street parking and off-street loading areas.

The subject parcel is located in an established residential neighborhood. The first parcel (1126 Trogdon Dr.) is proposed to be subdivided from the larger lot containing a single-family residence. This proposed parcel contains a private woodworking and gardening shed. The two vacant parcels are located behind and adjacent to this parcel and the City of Eden Public Works facility. They are also adjacent to other single-family residential lots. These three parcels are proposed to be combined into one new parcel (see Parcel B, attached survey).

Staff is of the opinion that O & I zoning would be appropriate for these parcels, since the O & I district also allows for and is compatible with single-family residential development. However, staff also recommends that the adjoining City property and a small cemetery within the City property, currently zoned R-20 and R-12, also be rezoned to O & I, so as not to create a “spot zoning” situation. Also this would eliminate the current split-zoning condition on the City property. Another adjoining portion of the City property is currently zoned R-12, therefore staff believes it would be appropriate to rezone all of the City property at this location to O & I. Therefore, staff recommends in favor of amending the rezoning request to include rezoning of the following City property from R-20 and R-12 to O & I:

1050 Klyce St. (Public Works property) PIN #7979-1313-6749, Parcel #136531
The R-12 portion of PIN #7979-1324-1653, Parcel #136540
Cemetery PIN #7979-1313-2511, Parcel #136529
Eight lots off of Klyce St: PIN #7979-1303-9925, Parcel #138511
PIN #7979-1303-0926, Parcel #138513
PIN #7979-1313-1928, Parcel #138550
PIN #7979-1314-2012, Parcel #138552
PIN #7979-1303-9775, Parcel #138510
PIN #7979-1313-0776, Parcel #138512
PIN #7979-1313-1767, Parcel #138549
PIN #7979-1313-2769, Parcel #138551

STAFF RECOMMENDATION:

Approval of the amended O & I request.



ZONING CASE

Z-17-04

AERIAL MAP



Portion of 1126 Trogon Drive, Property Along Simpson Street and Klyce Street

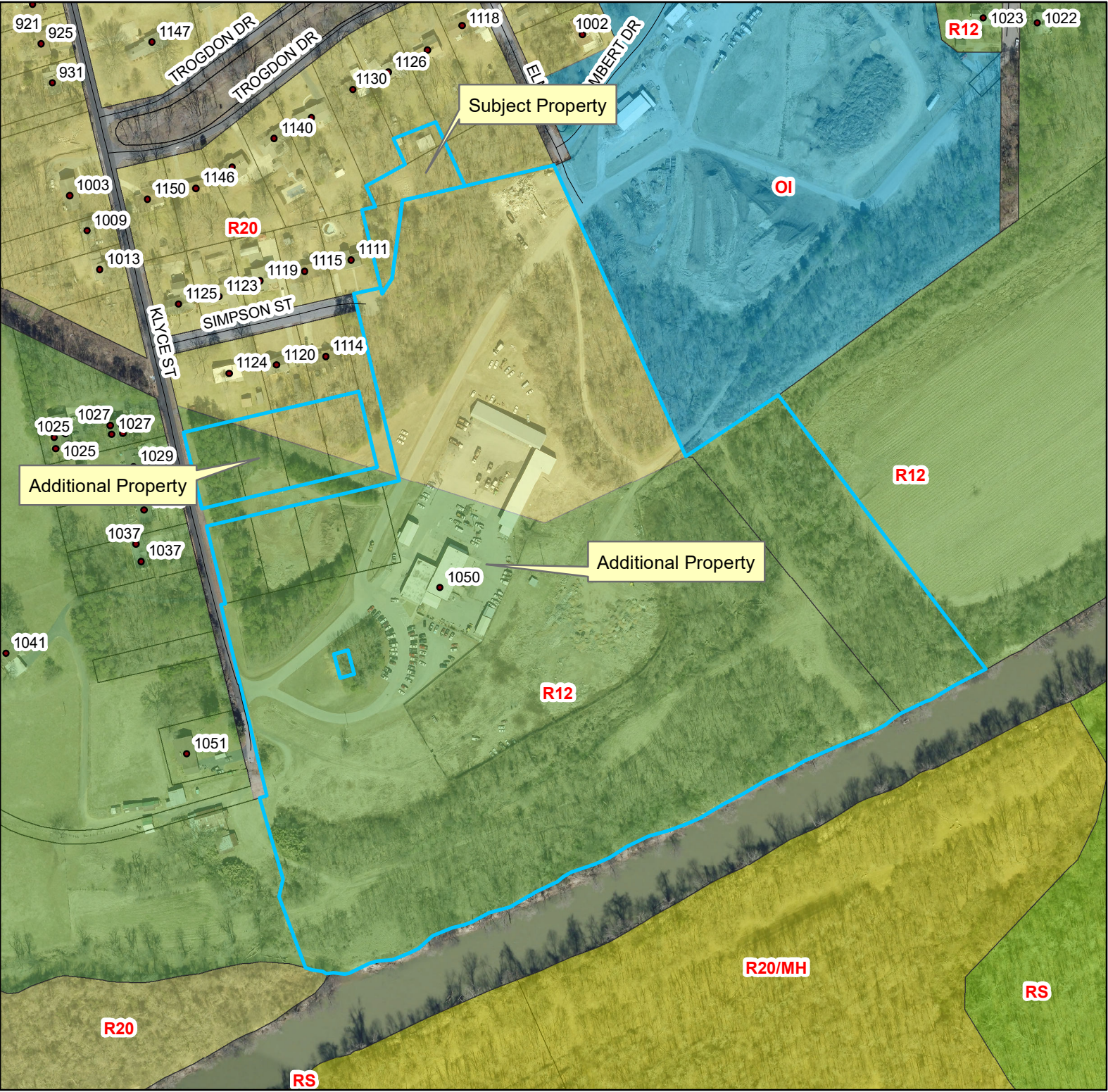
**Zoned:
Residential-20 and
Residential-12**

**Requested:
Office & Institutional**

ZONING CASE

Z-17-04

ZONING MAP



Portion of 1126 Trogon Drive, Property Along Simpson Street and Klyce Street

**Zoned:
Residential-20 and
Residential-12**

**Requested:
Office & Institutional**

AN ORDINANCE AMENDING THE ZONING
ORDINANCE OF THE CITY OF EDEN

BE IT ORDAINED BY THE CITY COUNCIL of the City of Eden, North Carolina, that, after having fully complied with all legal requirements, including publication of notice of a public hearing and the holding of a public hearing relative thereto, the Zoning Ordinance of the City of Eden is hereby amended as follows:

Section 1 - Change from Residential – 20 and Residential – 12 to Office & Institutional the following parcels:

PARCEL 1:

All of Parcel B containing 30,925.5 sq. ft. as shown on a plat of survey for William Lee Turner by C. E. Robertson, P.C. dated June 29, 2016 and revised July 12, 2017, recorded in Map Book 79, page 54 in the Office of the Register of Deeds for Rockingham County, North Carolina.

The above described property being:

- (A) The rear portion of a lot identified by the Rockingham County Tax Department as PIN 7979-13-14-3729, Parcel Number;
- (B) All of PIN 7979-13-14-3569, Parcel Number 138560; and
- (C) All of PIN 7979-13-14-2497, Parcel Number 138558

All of the property described in Deed Book 371 at page 42 recorded in the Office of the Register of Deeds for Rockingham County, N.C. SAVE AND EXCEPT those lots heretofore sold by the Town of Leaksville and the City of Eden. The remaining property being the following parcels:

PARCEL 2: 1050 Klyce St. (Public Works property)
PIN Number7979-1313-6749, Parcel Number 136531

PARCEL 3: Cemetery
PIN Number7979-1313-2511, Parcel Number 136529

PARCEL 4: Eight Vacant lots off of Klyce St:
PIN Number7979-1303-9775, Parcel Number 138510
PIN Number7979-1303-9925, Parcel Number 138511
PIN Number7979-1313-0776, Parcel Number 138512
PIN Number7979-1303-0926, Parcel Number 138513
PIN Number7979-1313-1767, Parcel Number 138549
PIN Number7979-1313-1928, Parcel Number 138550
PIN Number7979-1313-2769, Parcel Number 138551
PIN Number7979-1314-2012, Parcel Number 138552

All of the property zoned Residential – 12 described in a Deed recorded in Deed Book 370 at page 54 in the Office of the Register of Deeds for Rockingham County, N.C. SAVE AND EXCEPT any lots heretofore sold by the Town of Leaksville and the City of Eden. The remaining property being the following parcel:

PARCEL 5: 1039 West Avenue (Portion of Public Works that is zoned R-12)
PIN Number 7979-1324-1653, Parcel Number 136540

Section 2 - The Official Zoning Map of the City of Eden is hereby amended to conform with this Ordinance.

APPROVED, ADOPTED AND EFFECTIVE, this 19th day of September, 2017.

CITY OF EDEN

BY: _____
Wayne R. Tuggle, Sr., Mayor

ATTEST:

Sheralene Thompson, CMC
City Clerk

A RESOLUTION ADOPTING A
STATEMENT OF CONSISTENCY REGARDING
A PROPOSED AMENDMENT TO THE
CITY OF EDEN ZONING ORDINANCE
CASE NUMBER Z-17-04
MAP AMENDMENT

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A-383, prior to adoption or rejection of any zoning amendment, the Eden City Council is required to adopt a statement as to whether the amendment is consistent with the Land Development Plan and why the City Council considers the action taken to be reasonable and in the public interest;

WHEREAS, on August 21, 2007, the Eden City Council adopted the Land Development Plan. Plans such as the City of Eden Land Development Plan are not designed to be static but are meant to reflect the City of Eden's needs, plans for future development and to remain in compliance with North Carolina State Law and the City of Eden's ordinances;

WHEREAS, the City of Eden Planning Board received a request to rezone the rear portion of the property known as 1126 Trogdon Drive and adjoining vacant lots identified as Parcel No. 138559 and 138558;

WHEREAS, On August 22, 2017, the City of Eden Planning Board voted to recommend changes to the Zoning Ordinance as follows:

To amend the zoning map request to rezone the rear portion of the property known as 1126 Trogdon Drive and adjoining vacant lots identified as Parcel No. 138559 and 138558 by adding adjoining City property and a small cemetery within the City property, currently zoned R-20 and R-12, also be rezoned to O & I.

STATEMENT OF NEED:

Staff is of the opinion that O & I zoning would be appropriate for these parcels, since the O & I district also allows for and is compatible with single-family residential development. However, staff also recommends that the adjoining City property and a small cemetery within the City property, currently zoned R-20 and R-12, also be rezoned to O & I, so as not to create a "spot zoning" situation. Also this would eliminate the current split-zoning condition on the City property. Another adjoining portion of the City property is currently zoned R-12, therefore staff believes it would be appropriate to rezone all of the City property at this location to O & I. Therefore, staff recommends in favor of amending the rezoning request to include rezoning of the City property from R-20 and R-12 to O & I.

STATEMENT OF CONSISTENCY:

The goals of the 2007 City of Eden Land Development Plan, as amended, are to make smart growth decisions by carefully managing growth to:

- A. Strategically locate new land development in the most appropriate places.
- B. Maintain and enhance Eden's community character and heritage.
- C. Use infrastructure investments as effectively as possible.
- D. Attract new jobs and a more diverse tax base.
- E. Protect natural, cultural and historic resources and open space as we grow.

WHEREAS, The Eden City Council has considered the written recommendation of the City of Eden Planning Board and has held a public hearing on the proposed amendment, and the Council desires to adopt a statement describing why the adoption of the proposed amendment is consistent with the City of Eden Land Development Plan, and why the City Council considers the proposed amendment to be reasonable and in the public interest;

NOW THEREFORE, BE IT RESOLVED BY THE EDEN CITY COUNCIL THAT:

1. The Eden City Council finds that the proposed zoning map amendment, as amended to include the adjoining City property and a small cemetery within the City property, to the City of Eden Zoning Ordinance is consistent with the goals and recommendations of the 2007 City of Eden Land Development Plan, as amended.
2. At no time are land use regulations or plans of the City of Eden or any jurisdiction in the State of North Carolina permitted to be in violation of the North Carolina General Statutes.
3. Therefore, based upon the foregoing information, the amendments to the Zoning Ordinance are reasonable and in the public interest.

Approved and adopted and effective this 19th day of September, 2017.

CITY OF EDEN

BY: _____
Wayne R. Tuggle, Sr., Mayor

ATTEST:

Sheralene Thompson, CMC
City Clerk



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Brad Corcoran, City Manager

From: Tammie B. McMichael, Director of Finance and Personnel

Date: September 19, 2017

Subject: General Fund Street Resurfacing Projects Financing

The City needs to proceed with private placement financing for the Street Resurfacing Projects.

On July 20, 2017, I sent out a Request for Proposals to several banks. BB&T Governmental Finance was the only bank to submit a proposal.

The installment purchase financing is preferable due to the reasonable upfront cost, and the shorter time frame to complete. BB&T Governmental Finance has met all contract specifications. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 15 years at an interest rate not to exceed 2.63%, yielding annual payment of \$90,075.07. It is anticipated that the payments will be paid through general fund revenues.

The Local Government Commission requires the Governing Body to approve and adopt a Findings Resolution relating to the proposed contract. The resolution authorizes the Finance Officer to act on behalf of the City of Eden in filing an application with the North Carolina Local Government Commission for approval of the project and the proposed financing contract and other actions not inconsistent with this resolution.

Given all the different criteria, it is staff's recommendation that Council approve and adopt the BB&T Governmental Finance Agreement along with the Findings Resolution.

If you have any further questions, please do not hesitate to ask.



Branch Banking and Trust Company

Governmental Finance
5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
(704) 954-1700
Fax (704) 954-1799

VIA ELECTRONIC DELIVERY

tmc michael@edennc.us

apeeler@bbandt.com
direct dial: 336-376-0254

mcomstock@bbandt.com
direct dial: 704-954-1752

August 8, 2017

Ms. Tammie McMichael
Finance Director
City of Eden
P. O. Box 70
Eden, North Carolina 27289

Dear Ms. McMichael:

We at Branch Banking and Trust Company are pleased that we will be working with you to provide financing for street improvements. By this letter we want to provide you with our proposed draft financing documents (please forward these to your attorney for review, also), and to outline the additional documentation we will need from you to close the financing.

We have enclosed the following draft documents for this financing:

1. **Financing Agreement.** This is the main document for the financing. The Financing Agreement sets out the loan and repayment terms, provides for the security interest that secures the loan and contains other provisions related to the City's care and use of the property being financed.
2. **Project Fund Agreement.** The Project Fund Agreement provides for the custody of financing proceeds pending their use on project costs. At closing, we will deposit the loan proceeds into a project fund escrow account, from which the City may draw down funds as needed. Once a closing date is set, we will e-mail to you a requisition form and instructions for requesting funds.
3. **Closing Certificate.** This certificate, among other things, identifies the officials authorized to sign financing documents.
4. **Use of Proceeds Certificate.** This certificate provides information regarding the City's planned use and expenditure of financing proceeds, to document compliance with federal rules for tax-exempt financing. *The federal tax rules applicable to local government financings can be tricky and technical; please let us know if you want to discuss any aspect of the applicable tax rules.*

5. **Attorney's legal opinion.** The attorney's opinion must be on attorney letterhead and dated the day of funding (**the opinion will not be valid if it is dated prior to the date of funding**). We are able to accept either an original delivered at closing, or an e-mail copy.
6. **IRS Form 8038-G.** This form is used to provide the required notification to the IRS regarding the tax-exempt financing. We have partially completed this form based on information currently in our file. Please review this form and the companion instructions with your attorney and complete the remainder of the form, as well as make any required revisions.

At your convenience prior to closing, please e-mail to us the following items:

- Copy of the Resolution the City passed approving this financing. (Our suggested Resolution template was included in our proposal to you).
- Evidence that the City currently has general liability insurance in place.

We appreciate your attention to these items. After reviewing the enclosed documents, please do not hesitate to either me or Alison Peeler with any questions or concerns. Alison has advised that we will close this financing by mail shortly after LGC approval in October. Please contact me when you are ready to sign documents, and we will coordinate updating the documents to reflect the date of signing, and coordinate for you to overnight the document package to us for funding.

Note that we now require the attorney opinion letter to be dated the date of closing. In October, we will coordinate with you and your attorney to have the opinion letter dated the date of funding and emailed to us.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Mary Comstock, NCCP
Documentation Specialist
Governmental Finance

Attachments

Branch Banking and Trust Company

Financing for the City of Eden, North Carolina -- Document Checklist

1. Evidence of LGC approval (e.g. copy of LGC approval letter)
2. Financing Agreement, with Exhibits:
 - A) Project /Equipment description
 - B) Payment schedule
3. Project Fund Agreement
4. Closing Certificate
5. *Copy of Resolution approving financing
6. Use of Proceeds Certificate
7. *Evidence of General Liability insurance
8. UCC Financing Statement [BB&T will prepare & file post-closing]
9. Borrower's Attorney's closing opinion
10. Internal Revenue Service Form 8038-G

Please email those items denoted with an asterisk to apeeler@bbandt.com and mcomstock@bbandt.com at your earliest convenience prior to closing.

Note: Copies of invoices or spreadsheet of expenditures to be provided by the Borrower post-closing with requisitions for funds from project fund escrow account.

FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this "Agreement") is dated as of October ____, 2017, and is between the **CITY OF EDEN, NORTH CAROLINA**, a public body of the State of North Carolina (the "Borrower"), and **BRANCH BANKING AND TRUST COMPANY** ("BB&T").

RECITALS:

The Borrower has the power, pursuant to Section 160A-20 of the North Carolina General Statutes, to enter into installment contracts to finance the purchase or improvement of personal property and to secure its obligations under such contracts by security interests in all or a portion of the property purchased or improved. This Agreement provides for BB&T to advance \$1,100,000.00 to the Borrower to enable the Borrower to acquire and install the Equipment (as defined below), and provides for securing the Borrower's obligations under this Agreement by creating certain security interests in favor of BB&T.

NOW THEREFORE, for and in consideration of the mutual promises in this Agreement, and other good and valuable consideration, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

Unless the context clearly requires otherwise, capitalized terms used in this Agreement and not otherwise defined shall have the following meanings:

"Additional Payments" means any of BB&T's reasonable and customary fees and expenses related to the transactions contemplated by this Agreement, any of BB&T's expenses (including attorneys' fees) in prosecuting or defending any action or proceeding in connection with this Agreement, any required license or permit fees, state and local sales and use or ownership taxes or property taxes which BB&T is required to pay as a result of this Agreement, inspection and re-inspection fees, and any other amounts payable by the Borrower (or paid by BB&T on the Borrower's behalf) as a result of its covenants under this Agreement (together with interest that may accrue on any of the above if the Borrower shall fail to pay the same, as set forth in this Agreement).

"Amount Advanced" has the meaning assigned in Section 2.02.

"Bond Counsel Opinion" means a written opinion (in form and substance acceptable to BB&T) of an attorney or firm of attorneys acceptable to BB&T.

“Borrower” means the City of Eden, North Carolina.

“Borrower Representative” means the Borrower’s Finance Director or such other person or persons at the time designated, by a written certificate furnished to BB&T and signed on the Borrower's behalf by the presiding officer of the Borrower's Governing Board, to act on the Borrower's behalf for any purpose (or any specified purpose) under this Agreement.

"Budget Officer" means the Borrower officer from time to time charged with preparing the Borrower's draft budget as initially submitted to the Governing Board for its consideration.

"Business Day" means any day on which banks in the State are not by law authorized or required to remain closed.

"Closing Date" means the date on which this Agreement is first executed and delivered by the parties.

"Code" means the Internal Revenue Code of 1986, as amended, including regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended, as applicable to the Borrower's obligations under this Agreement and all proposed (including temporary) regulations which, if adopted in the form proposed, would apply to such obligations. Reference to any specific Code provision shall be deemed to include any successor provisions thereto.

“Equipment” has the meaning assigned in Section 2.03, and is generally expected to include the personal property described in Exhibit A.

"Event of Default" means one or more events of default as defined in Section 6.01.

"Event of Nonappropriation" means any failure by the Governing Board to adopt, by the first day of any Fiscal Year, a budget for the Borrower that includes an appropriation for Required Payments as contemplated by Section 3.05.

"Fiscal Year" means the Borrower's fiscal year beginning July 1, or such other fiscal year as the Borrower may later lawfully establish.

"Governing Board" means the Borrower's governing board as from time to time constituted.

"Installment Payments" means the payments payable by the Borrower pursuant to Section 3.01.

"LGC" means the North Carolina Local Government Commission.

"Net Proceeds," when used with respect to any amounts derived from claims made on account of insurance coverages required under this Agreement, any condemnation award arising out of the condemnation of all or any portion of the Equipment, or any amounts received in lieu or in settlement of any of the foregoing, means the amount remaining after deducting from the gross

proceeds thereof all expenses (including attorneys' fees and costs) incurred in the collection of such proceeds, and after reimbursement to the Borrower or BB&T for amounts previously expended to remedy the event giving rise to such payment or proceeds.

"Payment Dates" means the dates indicated in Exhibit B.

"Prime Rate" means the interest rate so denominated and set by Branch Banking & Trust Company of North Carolina (whether or not such Bank, or any affiliate thereof, is at any time the counterparty to this Agreement) as its "Prime Rate," as in effect from time to time.

"Project Costs" means all costs of the design, planning, acquiring and installing the Equipment as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Base Payments payable by the Borrower under this Agreement, including (a) sums required to reimburse the Borrower or its agents for advances for any such costs, (b) interest during the period of the acquisition and installation of the Equipment and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through this Agreement and all related transactions.

"Project Fund" has the meaning assigned in Section 2.02.

"Project Fund Agreement" has the meaning assigned in Section 2.02.

"Required Payments" means Installment Payments and Additional Payments.

"Section 160A-20" means Section 160A-20 of the North Carolina General Statutes, as amended, or any successor provision of law.

"Security Property" means the Equipment and all amounts on deposit from time to time in the Project Fund.

"State" means the State of North Carolina.

"UCC" means the Uniform Commercial Code or any successor law as in effect from time to time in the State, currently Chapter 25 of the North Carolina General Statutes.

All references in this Agreement to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Agreement. The words "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision unless the context indicates otherwise. Words importing the singular number shall include the plural number and vice versa.

ARTICLE II

SECURITY PROVIDED BY THIS AGREEMENT; ADVANCE

2.01. Security for Payment and Performance. This Agreement secures the Borrower's

payment, as and when the same shall become due and payable, of all Required Payments and the Borrower's timely compliance with all terms, covenants and conditions of this Agreement.

2.02. Advance. BB&T advances \$1,100,000.00 (the "Amount Advanced") to the Borrower on the Closing Date, and the Borrower hereby accepts the Amount Advanced from BB&T. BB&T is advancing the Amount Advanced by making a deposit to a Project Fund (the "Project Fund") as provided in a Project Fund Agreement of even date (the "Project Fund Agreement") between the Borrower and BB&T. All amounts on deposit from time to time in the Project Fund, including the Amount Advanced and all investment earnings, shall be used only for Project Costs until the Project Fund is terminated as provided under the Project Fund Agreement.

2.03. UCC Security Agreement.

(a) This Agreement is intended as and constitutes a security agreement pursuant to the UCC with respect to the following:

- (i) all moneys on deposit from time to time in the Project Fund; and
- (ii) all property acquired by the Borrower with funds advanced by BB&T pursuant to this Agreement, all personal property obtained in substitution or replacement therefore, and all personal property obtained in substitution or replacement for any portion of the Security Property, and all proceeds of the foregoing (collectively, the "Equipment").

The Borrower hereby grants to BB&T a security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund to secure the Required Payments.

(b) The Borrower shall allow BB&T to deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the UCC or determined by BB&T) in such form as BB&T may reasonably require to perfect and continue the security interest in the Equipment and in the moneys on deposit from time to time in the Project Fund.

2.04. Borrower's Limited Obligation. (a) THE PARTIES INTEND THAT THIS TRANSACTION COMPLY WITH SECTION 160A-20. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE BORROWER'S FAITH AND CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS AN IMPROPER DELEGATION OF GOVERNMENTAL POWERS OR AS A DONATION OR A LENDING OF THE BORROWER'S CREDIT WITHIN THE MEANING OF THE STATE CONSTITUTION. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE BORROWER IN VIOLATION OF SECTION 160A-20. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Borrower's moneys (other than the funds held under the Project Fund Agreement or this Agreement), nor shall any provision of this Agreement restrict the future issuance of any of the Borrower's bonds or obligations payable from any class or source of the Borrower's moneys (except to the extent this Agreement restricts the incurrence of additional obligations secured by the Security Property). To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

(b) Nothing in this Section is intended to impair or prohibit execution on the Security Property if the Required Payments are not paid when due or otherwise upon the occurrence of an Event of Default under this Agreement or the Project Fund Agreement.

2.05. Borrower's Continuing Obligations. The Borrower shall remain liable for full performance of all its covenants under this Agreement (subject to the limitations described in Section 2.04), including payment of all Required Payments, notwithstanding the occurrence of any event or circumstances whatsoever, including any of the following:

- (a) BB&T's waiver of any right granted or remedy available to it;
- (b) The forbearance or extension of time for payment or performance of any obligation under this Agreement, whether granted to the Borrower, a subsequent owner of the Equipment or any other person;
- (c) The release of all or part of the Security Property or the release of any party who assumes all or any part of such performance;
- (d) Any act or omission by BB&T (but this provision does not relieve BB&T of any of its obligations under this Agreement or the Project Fund Agreement);
- (e) The sale of all or any part of the Security Property; or
- (f) Another party's assumption of the Borrower's obligations under this Agreement.

ARTICLE III

BORROWER'S PAYMENT OBLIGATION AND RELATED MATTERS

3.01. Installment Payments. The Borrower shall repay the Amount Advanced by making Installment Payments to BB&T in lawful money of the United States at the times and in the amounts set forth in Exhibit B, except as otherwise provided in this Agreement. As indicated in Exhibit B, the Installment Payments reflect the repayment of the Amount Advanced and include designated interest components.

3.02. Additional Payments. The Borrower shall pay all Additional Payments on a timely basis directly to the person or entity to which such Additional Payments are owed in lawful money of the United States.

3.03. Prepayment. The Borrower may prepay the outstanding principal component of the Amount Advanced, at its option at any time, in whole but not in part, by paying (a) all Additional Payments then due and payable, (b) all interest accrued and unpaid to the prepayment date, and (c) 101% of the outstanding principal amount.

3.04. Late Payments. If the Borrower fails to pay any Installment Payment when due, the Borrower shall pay additional interest on the principal component of the late Installment Payment (as permitted by law) at an annual rate equal to the Prime Rate from the original due date.

3.05. Appropriations.

(a) The Budget Officer shall include in the initial proposal for each of the Borrower's annual budgets the amount of all Installment Payments and estimated Additional Payments coming due during the Fiscal Year to which such budget applies. Notwithstanding that the Budget Officer includes such an appropriation for Required Payments in a proposed budget, the Governing Board may determine not to include such an appropriation in the Borrower's final budget for such Fiscal Year.

(b) The Budget Officer shall deliver to BB&T, within 15 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Installment Payments and estimated Additional Payments coming due during the next Fiscal Year has been appropriated by the Borrower in such budget for such purposes. If such amount has not been so appropriated, the Budget Officer shall send a copy of such certificate to the LGC, to the attention of its Secretary, at 3200 Atlantic Avenue, Raleigh NC 27604.

(c) The actions required of the Borrower and its officers pursuant to this Section shall be deemed to be and shall be construed to be in fulfillment of ministerial duties, and it shall be the duty of each and every Borrower official to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Borrower to carry out and perform the actions required pursuant to this Section and the remainder of this Agreement to be carried out and performed by the Borrower.

(d) The Borrower reasonably believes that it can obtain funds sufficient to pay all Required Payments when due.

3.06. No Abatement. There shall be no abatement or reduction of the Required Payments for any reason, including, but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to the Equipment, except as expressly provided in this Agreement. The Borrower assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever. The Installment Payments shall be made in all events unless the Borrower's obligation to make Installment Payments is terminated as otherwise provided in this Agreement.

3.07. Interest Rate and Payment Adjustment.

(a) "Rate Adjustment Event" means any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body determining (i) that the interest component of Installment Payments, or any portion thereof, is includable in any counterparty's gross income for federal income tax purposes or (ii) that the Borrower's obligations under this Agreement are not "qualified tax-exempt obligations" within the meaning of Code Section 265 (a "265 Event"), in any case as a result of any misrepresentation by the Borrower or as a result of any action the Borrower takes or fails to take.

(b) Upon any Rate Adjustment Event, (i) the unpaid principal portion of the Amount Advanced shall continue to be payable on dates and in amounts as set forth in Exhibit B, but (ii) the interest components of the Installment Payments shall be recalculated, at an interest rate equal to an annualized interest rate equal to the Prime Rate plus 2% (200 basis points), to the date

(retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest became includable in any counterparty's gross income for federal income tax purposes (in the case of a 265 Event, retroactively to the Closing Date).

(c) The Borrower shall pay interest at such adjusted rate (subject to credit for interest previously paid) to each affected counterparty, notwithstanding the fact that any particular counterparty may not be a counterparty to this Agreement on the date of a Rate Adjustment Event. The Borrower shall additionally pay to all affected counterparties any interest, penalties or other charges assessed against or payable by such counterparty and attributable to a Rate Adjustment Event notwithstanding the prior repayment of the entire Amount Advanced or any transfer to another counterparty.

ARTICLE IV

BORROWER'S COVENANTS, REPRESENTATIONS AND WARRANTIES

4.01. Indemnification. To the extent permitted by law, the Borrower shall indemnify, protect and save BB&T and its officers and directors, and the LGC's members and employees, harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Security Property or the transactions contemplated by this Agreement, including without limitation the possession, condition or use of the Equipment. The indemnification arising under this Section shall survive the Agreement's termination.

4.02. Covenant as to Tax Exemption.

(a) The Borrower shall not take or permit, or omit to take or cause to be taken, any action that would cause its obligations under this Agreement to be "arbitrage bonds" or "private activity bonds" within the meaning of the Code, or otherwise adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments to which such components would otherwise be entitled. If the Borrower should take or permit, or omit to take or cause to be taken, any such action, the Borrower shall take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(b) In particular, the Borrower covenants that it shall not permit the Amount Advanced, plus the investment earnings thereon (the "Proceeds"), to be used in any manner that would result in 5% or more of the Installment Payments being directly or indirectly secured by an interest in property, or derived from payments in respect of property or borrowed money, being in either case used in a trade or business carried on by any person other than a governmental unit, as provided in Code Section 141(b), or result in 5% or more of the Proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Code Section 141(c); provided, however, that if the Borrower receives a Bond Counsel Opinion that compliance with any such covenant is not required to prevent the interest components of Installment Payments from being includable in the counterparty's gross income for federal income tax purposes under existing law, the Borrower need not comply with such covenant.

(c) Unless the Borrower qualifies for one or more exceptions to the arbitrage rebate requirement with respect to this financing, the Borrower shall provide for the rebate to the United States of (i) at least 90% of the required rebate amount (A) on or before 60 days after the date that is five years from the Closing Date, and (B) at least once during each five years thereafter while the Obligations remain outstanding, and (ii) the entire required rebate amount on or before 60 days after the date of final payment of the Obligations. Payments shall be made in the manner prescribed by the Internal Revenue Service. The Borrower shall cause the required rebate amount to be recomputed as of each fifth anniversary of the Closing Date, and again as of the date of final payment of the Obligations. The Borrower shall provide BB&T with a copy of the results of such computation within 20 days after the end of each computation period or final payment of the Obligations. Each computation shall be prepared or approved, at the Borrower's expense, by a person with experience in matters of accounting for federal income tax purposes, a bona fide arbitrage rebate calculating and reporting service, or nationally-recognized bond counsel, in any case reasonably acceptable to BB&T. The Borrower shall engage such rebate consultant to perform the necessary calculations not less than 60 days prior to the date of the required payment.

(d) The Borrower acknowledges that its personnel must be familiar with the arbitrage rebate rules, because the tax-exempt status of the interest on the Obligations depends upon continuing compliance with such rules. The Borrower therefore covenants to take all reasonable action to assure that Borrower personnel responsible for the investment of and accounting for financing proceeds comply with such rules.

4.03. Validity of Organization and Acts. The Borrower is validly organized and existing under State law, has full power to enter into this Agreement and has duly authorized and has obtained all required approvals and all other necessary acts required prior to the execution and delivery of this Agreement. This Agreement is a valid, legal and binding obligation of the Borrower.

4.04. Maintenance of Existence. The Borrower shall maintain its existence, shall continue to be a local governmental unit of the State, validly organized and existing under State law, and shall not consolidate with or merge into another local governmental unit of the State, or permit one or more other local governmental units of the State to consolidate with or merge into it, unless the local governmental unit thereby resulting assumes the Borrower's obligations under this Agreement.

4.05. Acquisition of Permits and Approvals. All permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the Borrower's part to have been obtained or completed as of today in connection with the authorization, execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the acquisition and installation of the Equipment have been obtained and are in full force and effect, and there is no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.

4.06. No Breach of Law or Contract. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement, nor the fulfillment of or compliance with the terms and conditions of this Agreement, (a) to the best of the Borrower's knowledge, constitutes a violation of any provision of law governing the Borrower or

(b) results in a breach of the terms, conditions or provisions of any contract, agreement or instrument or order, rule or regulation to which the Borrower is a party or by which the Borrower is bound.

4.07. No Litigation. There is no litigation or any governmental administrative proceeding to which the Borrower (or any official thereof in an official capacity) is a party that is pending or, to the best of the Borrower's knowledge after reasonable investigation, threatened with respect to (a) the Borrower's organization or existence, (b) its authority to execute and deliver this Agreement or to comply with the terms of this Agreement, (c) the validity or enforceability of this Agreement or the transactions contemplated by this Agreement, (d) the title to office of any Governing Board member or any other Borrower officer, (e) any authority or proceedings relating to the Borrower's execution or delivery of this Agreement, or (f) the undertaking of the transactions contemplated by this Agreement.

4.08. No Current Default or Violation. (a) The Borrower is not in violation of any existing law, rule or regulation applicable to it, (b) the Borrower is not in default under any contract, other agreement, order, judgment, decree or other instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets are subject, including this Agreement, and (c) no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including this Agreement, which constitutes or which, with notice or lapse of time, or both, would constitute an event of default hereunder or thereunder.

4.09. No Misrepresentation. No representation, covenant or warranty by the Borrower in this Agreement is false or misleading in any material respect.

4.10. Environmental Warranties and Indemnification.

(a) The Borrower warrants and represents to BB&T that, to the best of the Borrower's knowledge after thorough investigation, the Equipment is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials.

(b) The Borrower covenants that the Equipment shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Equipment, and the Borrower shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Borrower or any lessee, the release of Hazardous Materials onto the Equipment or suffer the presence of Hazardous Materials on the Equipment, except in connection with the normal maintenance and operation of the Equipment.

(c) The Borrower shall comply with, and ensure compliance by all users and lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Equipment free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Borrower receives any notices from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Equipment, the Borrower shall immediately notify BB&T. The Borrower shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other

actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Equipment in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to BB&T's satisfaction.

(d) "Hazardous Materials" means any explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material as defined by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 et seq.), and the regulations adopted and publications promulgated pursuant thereto.

(e) To the extent permitted by law, the Borrower shall indemnify and hold BB&T harmless from and against (i) any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against BB&T as a direct or indirect result of any warranty or representation made by the Borrower in subsections (a) through (c) above being false or untrue in any material respect, or (ii) any requirement under any law, regulation or ordinance, local, State or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by BB&T or the Borrower or any transferee or assignee BB&T or the Borrower.

(f) The Borrower's obligations under this Section shall continue in full force and effect notwithstanding full payment of the Required Payments or execution on the security interests created under this Agreement.

4.11. Further Instruments. Upon BB&T's request, the Borrower shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by BB&T to carry out more effectively the purposes of this Agreement or any other document related to the transactions contemplated by this Agreement, and to subject to the liens and security interests hereof and thereof all or any part of the Security Property intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Agreement.

4.12. BB&T's Advances for Performance of Borrower's Obligations. If the Borrower fails to perform any of its obligations under this Agreement, BB&T is hereby authorized, but not obligated, to perform such obligation or cause it to be performed. All expenditures incurred by BB&T (including any advancement of funds for payment of taxes, insurance premiums or other costs of maintaining the Security Property, and any associated legal or other expenses), together with interest thereon at the Prime Rate, shall be secured as Additional Payments under this Agreement. The Borrower promises to pay all such amounts to BB&T immediately upon demand.

4.13. Equipment Will Be Used and Useful. The acquisition and installation of the Equipment is necessary and expedient for the Borrower, and will perform essential functions of the Borrower appropriate for units of local government. The Borrower has an immediate need for, and

expects to make immediate use of, all of the Equipment, and does not expect such need or use to diminish in any material respect during the term of the Agreement. The Equipment will not be used in any private business or put to any private business use.

4.14. Financial Information.

(a) The Borrower shall send to BB&T a copy of the Borrower's audited financial statements for each Fiscal Year within 30 days of the Borrower's acceptance of such statements, but in any event within 270 days of the completion of such Fiscal Year.

(b) The Borrower shall furnish BB&T, at such reasonable times as BB&T shall request, all other financial information (including, without limitation, the Borrower's annual budget as submitted or approved) as BB&T may reasonably request. The Borrower shall permit BB&T or its agents and representatives to inspect the Borrower's books and records and make extracts therefrom.

4.15. Taxes and Other Governmental Charges. The Borrower shall pay, as Additional Payments, the full amount of all taxes, assessments and other governmental charges lawfully made by any governmental body during the term of this Agreement. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Borrower shall be obligated to provide for Additional Payments only for such installments as are required to be paid during the Agreement term. The Borrower shall not allow any liens for taxes, assessments or governmental charges with respect to the Security Property or any portion thereof to become delinquent (including, without limitation, any taxes levied upon the Security Property or any portion thereof which, if not paid, will become a charge on any interest in the Security Property, including BB&T's interest, or the rentals and revenues derived therefrom or hereunder).

4.16. Borrower's Insurance.

(a) The Borrower shall, at its own expense, acquire, carry and maintain broad-form extended coverage property damage insurance with respect to all Equipment in an amount equal to the actual cash value of the Equipment. Such property damage insurance shall include BB&T as loss payee. The Borrower shall provide evidence of such coverage to BB&T promptly upon installation of the Equipment. Any Net Proceeds of the insurance required by this subsection (a) shall be payable as provided in Section 5.15.

(b) The Borrower shall, at its own expense, acquire, carry and maintain comprehensive general liability insurance and automobile liability insurance, as applicable, in an amount not less than \$1,000,000 for personal injury or death and \$1,000,000 for property damage.

(c) The Borrower shall also maintain workers' compensation insurance issued by a responsible carrier authorized under State law to insure the Borrower against liability for compensation under applicable State law as in effect from time to time.

(d) All insurance shall be maintained with generally recognized responsible insurers and may carry reasonable deductible or risk-retention amounts. All such policies shall be deposited with BB&T, provided that in lieu of such policies there may be deposited with BB&T a certificate or certificates of the respective insurers attesting the fact that the insurance required by this Section

is in full force and effect. Prior to the expiration of any such policy, the Borrower shall furnish BB&T evidence satisfactory to BB&T that the policy has been renewed or replaced or is no longer required by this Agreement.

(e) No Borrower agent or employee shall have the power to adjust or settle any property damage loss greater than \$50,000 with respect to the Equipment, whether or not covered by insurance, without BB&T's prior written consent.

(f) BB&T shall not be responsible for the sufficiency or adequacy of any required insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by BB&T.

(g) The Borrower shall deliver to BB&T annually by June 30 of each year a certificate stating that the risk coverages required by this Agreement are in effect, and stating the carriers, policy numbers, coverage limits and deductible or risk-retention amounts for all such coverages.

ARTICLE V

THE EQUIPMENT

5.01. Acquisition and Installation. The Borrower shall comply with the provisions of Article 8 of Chapter 143 of the North Carolina General Statutes, accept all portions of the Equipment when properly delivered, provide for the proper installation thereof and thereafter promptly place each such portion in service.

5.02. Changes in Location. The Borrower shall promptly inform BB&T if any component of the Equipment shall be moved from the location designated for such Equipment at the time of its acquisition.

5.03. Acquisition and Installation within Funds Available. The Borrower represents that, based upon its examination of the plans and specifications for the Equipment, estimated installation costs and the Equipment's anticipated configuration, the Equipment can be acquired and installed for a total price within the total amount of funds to be available therefore in the Project Fund, income anticipated to be derived from the investment thereof and other funds previously identified and designated for such purposes. If the total amount available for such purposes in the Project Fund shall be insufficient to pay the entire cost of acquiring and installing the Equipment, the Borrower promises to pay any such excess costs, with no resulting reduction or offset in the amounts otherwise payable by the Borrower under this Agreement.

5.04. Disclaimer of Warranties. The Borrower agrees that BB&T has not designed the Equipment, that BB&T has not supplied any plans or specifications with respect thereto and that BB&T (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Equipment or similar Equipment, (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Equipment or any component part thereof or any property or rights relating

thereto, or (ii) any action taken or to be taken with respect to the Equipment or any component part thereof or any property or rights relating thereto at any stage of the acquisition, installation and equipping thereof, (c) has not at any time had physical possession of the Equipment or any component part thereof or made any inspection thereof or of any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Equipment or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the results which the Borrower intends therefor, or (iii) is safe in any manner or respect.

BB&T MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, and further including the design or condition thereof; the safety, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the Equipment's ability to perform any function; that the Amount Advanced will be sufficient to pay all costs of the acquisition and installation of the Equipment; or any other characteristic of the Equipment; it being agreed that the Borrower is to bear all risks relating to the Equipment, the installation thereof and the transactions contemplated by this Agreement, and the Borrower hereby waives the benefits of any and all implied warranties and representations of BB&T.

The provisions of this Section shall survive the Agreement's termination.

5.05. Right of Entry and Inspection. BB&T and its representatives and agents shall have the right to enter upon the Borrower's property and inspect the Equipment from time to time during installation and after the completion of installation, and the Borrower shall cause any vendor, contractor or sub-contractor to cooperate with BB&T and its representatives and agents during such inspections.

No right of inspection or approval granted in this Section shall be deemed to impose upon BB&T any duty or obligation whatsoever to undertake any inspection or to make any approval. No inspection made or approval given by BB&T shall be deemed to impose upon BB&T any duty or obligation whatsoever to identify or correct any defects in the Equipment or to notify any person with respect thereto, and no liability shall be imposed upon BB&T, and no warranties (either express or implied) are made by BB&T as to the quality or fitness of any improvement, any such inspection and approval being made solely for BB&T's benefit.

5.06. Compliance with Requirements.

(a) The Borrower shall cause the Equipment to be installed in a careful manner and in compliance with all applicable legal requirements.

(b) The Borrower shall observe and comply promptly with all current and future requirements relating to the Equipment's use or condition imposed by (i) any judicial, governmental or regulatory body having jurisdiction over the Equipment or any portion thereof or (ii) any insurance company writing a policy covering the Equipment or any portion thereof, whether or not any such requirement shall necessitate structural changes or improvements or interfere with the use

or enjoyment of the Equipment.

(c) The Borrower shall obtain and maintain in effect all licenses and permits required for the Equipment's operation.

(d) The Borrower shall in no event use the Equipment or any part thereof, nor allow the same to be used, for any unlawful purpose, or suffer any act to be done or any condition to exist with respect to the Equipment or any part thereof, nor any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

5.07. Use and Operation. The Borrower shall use and operate the Equipment and related property as public streets, and for no other purpose unless required by law. The Borrower shall be solely responsible for the Equipment's operation, and shall not contract with any other person or entity for the Equipment's operation.

5.08. Maintenance and Repairs; Additions.

(a) The Borrower shall keep the Equipment in good order and repair (reasonable wear and tear excepted) and in good operating condition, shall not commit or permit any waste or any other thing to occur whereby the value or usefulness of the Equipment might be impaired, and shall make from time to time all necessary or appropriate repairs, replacements and renewals.

(b) The Borrower may, also at its own expense, make from time to time any additions, modifications or improvements to the Equipment that it may deem desirable for its governmental or proprietary purposes and that do not materially impair the effective use, nor materially decrease the value or substantially alter the intended use, of the Equipment. The Borrower shall do, or cause to be done, all such things as may be required by law in order fully to protect the security of and all BB&T's rights under this Agreement.

(c) Any and all additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the "Equipment" for the purposes of this Agreement.

(d) Notwithstanding the provisions of subsection (c) above, however, the Borrower may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Equipment. All such property shall remain the Borrower's sole property in which BB&T shall have no interest; provided, however, that any such property which becomes permanently affixed to the Equipment shall be subject to the lien and security interest arising under this Agreement if BB&T shall reasonably determine that the Equipment would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

5.09. Security. The Borrower shall take all reasonable steps necessary to safeguard the Equipment against theft. The security afforded the Equipment shall at all times be equal to or better than the security afforded the Borrower's personal property that is not subject to this Agreement.

5.10. Utilities. The Borrower shall pay all charges for utility services furnished to or used on or in connection with the Equipment.

5.11. Risk of Loss. The Borrower shall bear all risk of loss to and condemnation of the Equipment.

5.12. Condemnation. The Borrower shall immediately notify BB&T if any governmental authority shall institute, or shall notify the Borrower of any intent to institute, any action or proceeding for the taking of, or damages to, all or any part of the Equipment or any interest therein under the power of eminent domain, or if there shall be any damage to the Equipment due to governmental action, but not resulting in a taking of any portion of the Equipment. The Borrower shall file and prosecute its claims for any such awards or payments in good faith and with due diligence and cause the same to be collected and paid over to BB&T, and to the extent permitted by law hereby irrevocably authorizes and empowers BB&T, in the Borrower's name or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claims. If the Borrower receives any Net Proceeds arising from any such action, the Borrower shall apply such Net Proceeds as provided in Section 5.15.

5.13. Title. Title to the Equipment and any and all additions, repairs, replacements or modifications thereto shall at all times be in the Borrower, subject to the lien of this Agreement. Upon the Borrower's payment in full of all Required Payments, BB&T, at the Borrower's expense and request, shall cancel this Agreement.

5.14. No Encumbrance, Mortgage or Pledge of Equipment.

(a) The Borrower shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics' and materialmen's liens), charge, encumbrance or other claim in the nature of a lien on or with respect to the Equipment. The Borrower shall promptly, at its own expense, take such action as may be duly necessary to discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist.

(b) The Borrower shall reimburse BB&T for any expense incurred by BB&T to discharge or remove any such mortgage, pledge, lien, security interest, encumbrance or claim, with interest thereon at the Prime Rate.

5.15. Damage and Destruction; Use of Net Proceeds.

(a) The Borrower shall promptly notify BB&T if (i) the Security Property or any portion thereof is stolen or is destroyed or damaged by fire or other casualty, (ii) a material defect in the installation of the Equipment shall become apparent, or (iii) title to or the use of all or any portion of the Equipment shall be lost by reason of a defect in title. Each notice shall describe generally the nature and extent of such damage, destruction or taking.

(b) If the Net Proceeds arising from any single event, or any single substantially related sequence of events, is not more than \$50,000, the Borrower shall retain such Net Proceeds and apply the same to the prompt completion, repair or restoration of the Equipment, and shall promptly thereafter report to BB&T regarding the use of such Net Proceeds.

(c) If the Net Proceeds arising from any single event, or any single substantially related sequence of events, is more than \$50,000, then the Borrower shall cause such Net Proceeds to be paid to an escrow agent (which shall be a bank, trust company or similar entity exercising fiduciary responsibilities) designated by BB&T for deposit in a special escrow fund to be held by such escrow agent. The Borrower shall thereafter provide for the application of all Net Proceeds to the prompt completion, repair or restoration of the Equipment, as the case may be. The escrow agent shall disburse Net Proceeds for the payment of such costs upon receipt of requisitions in substantially the form of Exhibit A to the Project Fund Agreement. If the Net Proceeds shall be insufficient to pay in full the cost of completion, repair or restoration, the Borrower shall either (i) complete the work and pay any cost in excess of the Net Proceeds, or (ii) not carry out such completion, repair or restoration, and instead apply the Net Proceeds, together with other available funds as may be necessary, to the prepayment of all outstanding Required Payments pursuant to Section 3.03.

(d) Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the Borrower's property and shall be part of the Equipment.

ARTICLE VI

DEFAULTS AND REMEDIES; EXECUTION

6.01. Events of Default. An "Event of Default" is any of the following:

(a) The Borrower's failing to make any Installment Payment when due.

(b) The occurrence of an Event of Nonappropriation.

(c) The Borrower's breaching or failing to perform or observe any term, condition or covenant of this Agreement or of the Project Fund Agreement on its part to be observed or performed, other than as provided in subsections (a) or (b) above, including payment of any Additional Payment, for a period of 15 days after written notice specifying such failure and requesting that it be remedied shall have been given to the Borrower by BB&T, unless BB&T shall agree in writing to an extension of such time prior to its expiration.

(d) The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law by or against the Borrower as a debtor, or the appointment of a receiver, custodian or similar officer for the Borrower or any of its property, and the failure of such proceedings or appointments to be vacated or fully stayed within 30 days after the institution or occurrence thereof.

(e) Any warranty, representation or statement made by the Borrower in this Agreement or the Project Fund Agreement is found to be incorrect or misleading in any material respect on the Closing Date (or, if later, on the date made).

(f) Any lien, charge or encumbrance prior to the security interest created under Section 2.03, or affecting the validity of this Agreement, is found to exist, or proceedings are instituted against the Borrower to enforce any lien, charge or encumbrance against the Equipment and such lien, charge or encumbrance would be prior to the lien of this Agreement.

(g) The Borrower's failing to pay when due any principal of or interest on any of its general obligation debt.

6.02. Remedies on Default. Upon the continuation of any Event of Default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies:

(a) Declare the unpaid principal components of the Installment Payments immediately due and payable;

(b) Proceed by appropriate court action to enforce the Borrower's performance of the applicable covenants of this Agreement or to recover for the breach thereof;

(c) As provided in the Project Fund Agreement, require BB&T to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and

(d) Avail itself of all available remedies under this Agreement, including execution as provided in Section 6.03, and recovery of attorneys' fees and other expenses.

Notwithstanding any other provision of this Agreement, the Borrower and BB&T intend to comply with Section 160A-20. No deficiency judgment may be entered against the Borrower in violation of Section 160A-20.

6.03. Execution on Personal Property. Upon the continuation of any Event of Default and in addition to all other remedies granted in this Agreement, BB&T shall have all the rights and remedies of a secured party under the UCC and may proceed to execute upon the Security Property.

6.04. Possession of Equipment. After a foreclosure sale, the Borrower shall immediately lose the right to possess, use and enjoy the Equipment (but may remain in possession of the Equipment as a lessee at will of BB&T), and thereupon the Borrower (a) shall pay monthly in advance to BB&T a fair and reasonable rental value for the use and possession of the Equipment (in an amount BB&T shall determine in its reasonable judgment), and (b) upon BB&T's demand, shall deliver possession of the Equipment to BB&T or, at BB&T's direction, to any purchaser of the Equipment after an execution sale.

In addition, upon the continuation of any Event of Default, BB&T, to the extent permitted by law, is hereby authorized to (i) take possession of the Equipment, with or without legal action, (ii) lease the Equipment, (iii) collect all rents and profits therefrom, with or without taking possession of the Equipment, and (iv) after deducting all costs of collection and administration expenses, apply the net rents and profits first to the payment of necessary maintenance and insurance costs, and then to the Borrower's account and in reduction of the Borrower's

corresponding Required Payments in such fashion as BB&T shall reasonably deem appropriate. BB&T shall be liable to account only for rents and profits it actually receives.

6.05. No Remedy Exclusive; Delay Not Waiver. All remedies under this Agreement are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. If any Event of Default shall occur and thereafter be waived by BB&T, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any other breach under this Agreement.

6.06. Payment of Costs and Attorney's Fees. If BB&T employs an attorney to assist in the enforcement or collection of Required Payments, or if BB&T voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted under any state or federal bankruptcy or insolvency statute) to protect the Equipment, to protect the lien of this Agreement, to enforce collection of the Required Payments or to enforce compliance by the Borrower with any of the provisions of this Agreement, the Borrower agrees to pay reasonable attorneys' fees and all of the costs that may reasonably be incurred (whether or not any suit or proceeding is commenced), and such fees and costs (together with interest at the Prime Rate) shall be secured as Required Payments.

ARTICLE VII

MISCELLANEOUS

7.01. Notices.

- (a) Any communication required or permitted by this Agreement must be in writing.
- (b) Any communication under this Agreement shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, addressed as follows:
 - (i) If to the Borrower, to P. O. Box 70, Eden, North Carolina 27289, Attention: Finance Director; or
 - (ii) If to BB&T, to 5130 Parkway Plaza Boulevard, Charlotte, North Carolina 28217, Attention: Governmental Finance.
- (c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

7.02. No Assignments by Borrower. The Borrower shall not sell or assign any interest in this Agreement.

7.03. Assignments by BB&T. BB&T may, at any time and from time to time, assign all or any part of its interest in the Security Property or this Agreement, including, without limitation, BB&T's rights to receive Required Payments. Any assignment made by BB&T or any

subsequent assignee shall not purport to convey any greater interest or rights than those held by BB&T pursuant to this Agreement.

The Borrower agrees that this Agreement may become part of a pool of obligations at BB&T's or its assignee's option. BB&T or its assignees may assign or reassign all or any part of this Agreement, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Agreement. Any assignment by BB&T may be only to a bank, insurance company, or similar financial institution or any other entity approved by the LGC. Notwithstanding the foregoing, no assignment or reassignment of BB&T's interest in the Equipment or this Agreement shall be effective unless and until the Borrower shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each such assignee.

The Borrower further agrees that BB&T's interest in this Agreement may be assigned in whole or in part upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Agreement, provided the Borrower receives a copy of such agency contract and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Agreement a written record of each assignment and reassignment of such certificates of participation.

The Borrower agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the Borrower, and the Borrower shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the Borrower shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

7.04. Amendments. No term or provision of this Agreement may be amended, modified or waived without the prior written consent of the Borrower and BB&T.

7.05. Governing Law. The Borrower and BB&T intend that State law shall govern this Agreement.

7.06. Liability of Officers and Agents. No officer, agent or employee of the Borrower shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated by this Agreement. Such officers or agents shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve an officer, agent or employee of the Borrower from the performance of any official duty provided by law.

7.07. Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

7.08. Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

7.09. Entire Agreement. This Agreement constitutes the Borrower's entire agreement with respect to the general subject matter covered by this Agreement.

7.10. Binding Effect. Subject to the specific provisions of this Agreement, and in particular Section 7.03, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

7.11 E-Verify. The Bank understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Bank uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Bank will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

The remainder of this page left blank intentionally; signature page follows.

IN WITNESS WHEREOF, the parties have duly signed, sealed and delivered this Agreement by duly authorized officers, all as of the date first above written.

(SEAL)

ATTEST:

**CITY OF EDEN,
NORTH CAROLINA**

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

**BRANCH BANKING AND
TRUST COMPANY**

By: _____

Printed Name: _____

Title: _____

This contract has been approved under the provisions of Article 8, Chapter 159 of the General Statutes of North Carolina.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act.

Greg C. Gaskins
Secretary, North Carolina
Local Government Commission

By: _____
Finance Director
City of Eden, North Carolina

By _____
[Greg C. Gaskins or Designated Assistant]

[Financing Agreement between the City of Eden, North Carolina, and Branch Banking and Trust Company]

EXHIBIT A -- PROJECT AND EQUIPMENT DESCRIPTION

Street improvements for the City of Eden *Fiscal Year 2017-18 Street Resurfacing Contract, No. 3 (SRC 2017-03)* and *E. Harris Place Improvements (SRC 2017-18-04)*, in accordance with the plans and specifications for the projects, and as located and set forth on the attached Schedule A.

EXHIBIT B -- PAYMENT SCHEDULE

Payment Schedule to Financing Agreement dated as of October __, 2017 (the "Financing Agreement"), between the City of Eden, North Carolina, and Branch Banking and Trust Company

Contract Number: 9933001145-00019

The payments required to repay the advance made pursuant to the Financing Agreement call for an amortization period of approximately fifteen (15) years. Payments are annually in arrears in the amount of \$90,075.07. A portion of each payment is paid as and represents payment of interest at an annual interest rate of 2.63%.

Payments are due beginning on December 1, 2018, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on October 1, 2032, all as set forth in the attached amortization schedule.

City of Eden, NC
 Street Improvements
 Contract Number 9933001145-00019

DRAFT AMORTIZATION SCHEDULE – TO BE UPDATED TO REFLECT FUNDING DATE

Compound Period: Annual
 Nominal Annual Rate: 2.630 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	10/01/2017	1,100,000.00	1		
2	Payment	12/01/2018	90,075.07	14	Annual	
3	Payment	10/01/2032	90,075.07	1		10/01/2032

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	10/01/2017				1,100,000.00
2018 Totals		0.00	0.00	0.00	
1	12/01/2018	90,075.07	33,960.95	56,114.12	1,043,885.88
2019 Totals		90,075.07	33,960.95	56,114.12	
2	12/01/2019	90,075.07	27,454.20	62,620.87	981,265.01
2020 Totals		90,075.07	27,454.20	62,620.87	
3	12/01/2020	90,075.07	25,807.27	64,267.80	916,997.21
2021 Totals		90,075.07	25,807.27	64,267.80	
4	12/01/2021	90,075.07	24,117.03	65,958.04	851,039.17
2022 Totals		90,075.07	24,117.03	65,958.04	
5	12/01/2022	90,075.07	22,382.33	67,692.74	783,346.43
2023 Totals		90,075.07	22,382.33	67,692.74	
6	12/01/2023	90,075.07	20,602.01	69,473.06	713,873.37
2024 Totals		90,075.07	20,602.01	69,473.06	
7	12/01/2024	90,075.07	18,774.87	71,300.20	642,573.17
2025 Totals		90,075.07	18,774.87	71,300.20	
8	12/01/2025	90,075.07	16,899.67	73,175.40	569,397.77
2026 Totals		90,075.07	16,899.67	73,175.40	

9	12/01/2026	90,075.07	14,975.16	75,099.91	494,297.86
2027 Totals		90,075.07	14,975.16	75,099.91	
10	12/01/2027	90,075.07	13,000.03	77,075.04	417,222.82
2028 Totals		90,075.07	13,000.03	77,075.04	
11	12/01/2028	90,075.07	10,972.96	79,102.11	338,120.71
2029 Totals		90,075.07	10,972.96	79,102.11	
12	12/01/2029	90,075.07	8,892.57	81,182.50	256,938.21
2030 Totals		90,075.07	8,892.57	81,182.50	
13	12/01/2030	90,075.07	6,757.47	83,317.60	173,620.61
2031 Totals		90,075.07	6,757.47	83,317.60	
14	12/01/2031	90,075.07	4,566.22	85,508.85	88,111.76
2032 Totals		90,075.07	4,566.22	85,508.85	
15	10/01/2032	90,075.07	1,963.31	88,111.76	0.00
2033 Totals		90,075.07	1,963.31	88,111.76	
Grand Totals		1,351,126.05	251,126.05	1,100,000.00	

PROJECT FUND AGREEMENT

THIS PROJECT FUND AGREEMENT is dated as of October ___, 2017, and is by and between the **CITY OF EDEN, NORTH CAROLINA**, a public body of the State of North Carolina (the "Borrower"), and **BRANCH BANKING AND TRUST COMPANY** ("BB&T").

RECITALS

The Borrower is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering a Financing Agreement dated as of October ___, 2017 (the "Financing Agreement"), by and between the Borrower and BB&T. The purpose of the Financing Agreement is to provide for BB&T's advance of \$1,100,000.00 to the Borrower to finance the Borrower's acquisition of equipment, as defined in the Financing Agreement. In partial consideration for BB&T's entering into the Financing Agreement, the Borrower has agreed to provide for financing proceeds to be deposited and disbursed pursuant to this Project Fund Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Project Fund Agreement, the term "*Project Costs*" means all costs of the design, planning, acquiring, installing of the Equipment as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the Borrower under the Financing Agreement, including (a) sums required to reimburse the Borrower or its agents for advances made for any such costs, (b) interest during the installation process and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through the Financing Agreement and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Financing Agreement.

SECTION 2. PROJECT FUND.

2.1. Project Fund. On the Closing Date, BB&T will deposit \$1,100,000.00 into a special account of the Borrower at Branch Banking and Trust Company to be designated "2017-00019 City of Eden Project Fund" (the "Project Fund"). This account shall be held separate and apart from all other funds of the Borrower. The Project Fund is the Borrower's property, but the Borrower will withdraw amounts on deposit in the Project Fund only as provided in the Project Fund Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the Borrower's obligations under the Financing Agreement.

2.2. Requisitions from Project Fund. The Borrower may withdraw funds from the Project Fund only after authorization from BB&T. BB&T will disburse funds from the Project Fund only to the

Borrower and only upon its receipt of written requisitions from one of the designated Authorized Representatives named in the Certificate of Authorized Representatives contained herein and substantially in the form of Exhibit A attached hereto.

2.3. Disposition of Project Fund Balance.

(a) *Upon completion* -- Promptly after the acquisition and installation of the Equipment has been completed, the Borrower shall deliver to BB&T a certificate to such effect signed by a Borrower Representative.

(b) *Upon default* -- Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Required Payments.

(c) *After delay or inactivity* -- If (i) more than two years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the Borrower, may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Required Payments.

(d) *Application of Project Fund balance* -- BB&T will apply any amounts paid to it pursuant to this section (i) first against all Additional Payments then due and payable, (ii) then to interest accrued and unpaid to the prepayment date, and (iii) then to the prepayment, in inverse order of maturity and without premium (notwithstanding any contrary provisions of Section 3.03 of the Financing Agreement), of the outstanding principal components of Installment Payments. Such prepayment, however, will not affect any other City payment obligation under the Financing Agreement. BB&T will notify the City of any withdrawal from the Project Fund made under this Section 2.3, and in the notice will describe its application of the funds withdrawn.

2.4. Investment. (a) The Borrower and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the Borrower will not purchase or hold any investment which has a "yield," as determined under the Code, in excess of the "yield" on the Borrower's obligations under the Financing Agreement, unless the Borrower has supplied BB&T with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of Installment Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Project Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a)

actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

(i) If intended for the Borrower, addressed to it at the following address: City of Eden, Attention: Finance Director, P. O. Box 79, Eden, North Carolina 27289;

(ii) If intended for BB&T, addressed to it at the following address: 5130 Parkway Plaza Boulevard, Charlotte, North Carolina 28217, Attention: Governmental Finance.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

3.2. Survival of Covenants and Representations. All covenants, representations and warranties made by the Borrower in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

3.3. Choice of Law. The parties intend that North Carolina law shall govern this Project Fund Agreement.

3.4. Amendments. This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T and the Borrower.

3.5. No Third-Party Beneficiaries. There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Project Fund Agreement.

3.6. Successors and Assigns. All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. Severability. If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Project Fund Agreement.

3.8. Counterparts. This Project Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. Termination. Except as otherwise provided in this Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

CERTIFICATE DESIGNATING AUTHORIZED REPRESENTATIVES

In accordance with the terms herein, the Borrower designates the following persons as Authorized Representatives authorized to sign requisitions to withdraw funds from the Project Fund account:

Printed Name:

Signature:

The Borrower may designate additional Representatives to sign requisitions upon written notification to BB&T.

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

**CITY OF EDEN,
NORTH CAROLINA**

ATTEST:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

SEAL

BRANCH BANKING AND TRUST COMPANY

By: _____

Printed Name: _____

Title: _____

[Project Fund Agreement dated as of October ____, 2017]

EXHIBIT A

[To Be Prepared on Borrower's Letterhead for Submission]

PROJECT FUND REQUISITION

[Date] _____

E-MAIL REQUISITIONS TO: GFProjectfunds@bbandt.com

Requisition Team telephone: 252-296-0653 or 252-296-0452
Branch Banking and Trust Company
(Governmental Finance)

Re: Request for disbursement of funds from the Project Fund related to
Contract No. 9933001145-00019 by the City of Eden,
dated October ____, 2017.

To Whom It May Concern:

Pursuant to the terms and conditions of the Project Fund Agreement dated as of October ____,
2017, the City of Eden (the "Borrower"), requests the disbursement of funds from the Project Fund
established under the Project Fund Agreement for the following Project Costs:

This is requisition number ____ from the Project Fund.

Disbursements will be to the City of Eden

Amount: \$ _____

Attach the following to this requisition

- **Copies of vendor invoices or a spreadsheet of expenditures.**

Project Description: Street improvements.

Location of Equipment: various public streets

To receive funds via wire transfer please include:

ABA Routing Number:

Account Number:

Physical address of Borrower:

The City of Eden makes this requisition pursuant to the following representations:

1. The Borrower has appropriated in its current fiscal year funds sufficient to pay the Installment Payments and estimated Additional Payments due in the current fiscal year.
2. The purpose of this disbursement is for partial payment on the project provided for under the Contract referenced above.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing under the Financing Agreement, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The Borrower authorizes BB&T to file, or cause to be filed, any Uniform Commercial Code financing statements with respect to this portion of the Equipment that BB&T may request to evidence its security interest.
8. The Borrower has in place insurance on this portion of the Equipment that complies with the insurance provisions of the above-referenced Contract.

Each amount requested for payment in this requisition either (a) represents reimbursement to the Borrower for a Project Cost expenditure previously made, or (b) will be used by the Borrower promptly upon the receipt of funds from BB&T to make the payments to third parties described in this requisition.

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

CITY OF EDEN, NORTH CAROLINA

By: _____

Printed Name: _____

Title: _____

CLOSING CERTIFICATE

The undersigned officers of the City of Eden, North Carolina (the "Borrower"), hereby certify as follows:

1. The Borrower's governing board (the "Board") adopted the attached resolution (the "Resolution"), authorizing and providing for an installment financing with Branch Banking and Trust Company. The Resolution was duly adopted 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 effect as of today. Pursuant to N.C. Gen. Stat. § 143-318.12(a), a current copy of the Board's regular meeting schedule was on file with the Clerk for at least seven days prior to the date of the meeting.

2. The signatures set forth below are the true and genuine signatures of the persons holding the indicated offices. The indicated persons have held such offices at all times since the Resolution was adopted.

<u>Printed Name</u>	<u>Title</u>	<u>Signature</u>
_____	Mayor or Manager	_____
_____	Finance Director	_____
_____	Clerk	_____

3. The Borrower has duly authorized, executed and delivered the Financing Agreement and the Project Fund Agreement provided for by the Resolution. We have reviewed the Borrower's representations as set forth in such Agreements, and all of such representations are correct and complete in all material respects as if made today.

4. The seal impressed below is the Borrower's official seal, and has been the Borrower's official seal since prior to the adoption of the Resolution.

WITNESS our signatures and the seal of the City of Eden, North Carolina, this ____ day of October, 2017.

(SEAL)

By: _____ By: _____ By: _____
Mayor or Manager Finance Director Clerk

USE OF PROCEEDS CERTIFICATE

The undersigned Finance Director of the City of Eden, North Carolina (the "Borrower"), is among the Borrower officers charged with responsibility for the Borrower's entering into a Financing Agreement dated as of October __, 2017 (the "Agreement"), with Branch Banking and Trust Company ("BB&T"). This Certificate is delivered as part of the official record of the proceedings for the delivery of the Agreement. I am executing and delivering this Certificate on behalf of the Borrower to set forth in good faith the Borrower's reasonable expectations concerning the use and investment of financing proceeds and other related matters, in order to assure that interest on the Obligations, as defined below, will be excluded from gross income for federal income tax purposes. I understand that I have an obligation to make the representations in this Certificate both correct and complete.

All capitalized terms used in this Certificate and not otherwise defined have the meanings assigned to such terms under the Treasury Regulations applicable to tax-exempt bonds.

PURPOSE OF AGREEMENT

1. The Borrower is executing and delivering the Agreement today to provide funds to finance the acquisition (the "Project") of the equipment set forth in the Agreement (the "Equipment"), and to pay certain financing costs. BB&T will advance funds to the Borrower pursuant to the Agreement for the Project. BB&T is entering into the Agreement for its own account with no current intention of reselling its rights under the Agreement or any interest therein, except that BB&T may make an assignment of payment rights to an affiliate, in whole, at par and without recourse.

PROCEEDS; PAYMENT OBLIGATIONS

2. (a) BB&T will today advance the full principal amount to be advanced under the Agreement of \$1,100,000.00 (the "Proceeds") by making a deposit into a Project fund created under a Project Fund Agreement between the Borrower and BB&T.

(b) Under the Agreement, the Borrower is obligated to pay Installment Payments, as defined in the Agreement, on the dates and in the amounts set forth in the Agreement (the Borrower's obligations to pay Installment Payments are referred to in this Certificate as the "Obligations"), subject to prepayment as provided in the Agreement.

(c) The Installment Payments reflect the repayment of the Proceeds and include a designated interest component corresponding to an annual interest rate as set forth in the Agreement. The Borrower does not expect to prepay any of the Obligations prior to the scheduled payment dates.

USE OF PROCEEDS; REIMBURSEMENT

3. (a) All of the Proceeds and all investment earnings thereon will be used to pay Project Costs, including costs incurred in connection with the execution and delivery of the Agreement and interest on the Obligations during the Project period.

(b) All of such costs will be incurred and expenditures made subsequent to today, except for reimbursement to the Borrower for amounts (i) paid not more than 60 days prior to today, (ii) representing engineering, design and similar preliminary expenses in an aggregate amount not exceeding 20% of the principal amount of the Obligations, or (iii) otherwise in an amount not exceeding 5% percent of the Proceeds.

(c) All expenditures to be reimbursed occurred not more than 18 months prior to today. None of the Financed Equipment was placed in service more than one year before today.

(d) All of the costs to be paid or reimbursed from Proceeds will be Capital Expenditures, and none will be Working Capital Expenditures. No portion of the Gross Proceeds will be used, directly or indirectly, to make or finance loans to two or more ultimate borrowers.

QUALIFICATION FOR TEMPORARY PERIOD

4. The Equipment will be placed in service beginning on or about _____. Within 90 days of today (if it has not already done so), the Borrower will enter into substantial binding obligations to third parties to spend Proceeds on Project Costs that are Capital Expenditures in an amount exceeding 5% of the amount financed. The Borrower estimates that all the Proceeds and all the investment earnings thereon will be fully expended within _____ months from today.

INVESTMENT PROCEEDS

5. (a) Any earnings or net profit derived from the investment of the Proceeds will be used to pay additional Project Costs or interest on the Obligations not later than the date that is the later of (i) three years from today or (ii) twelve months from the date of the receipt of such earnings.

(b) After the date that is three years from today, the Borrower will not invest any of the Gross Proceeds at a Yield in excess of the Yield on the Obligations.

(c) No investment will be acquired or disposed of at a cost or price that exceeds its Fair Market Value as of the acquisition date, or which is less than its Fair Market Value as of the disposition date. No portion will be invested in any investment as to which the economic return is substantially guaranteed for more than three years.

(d) No portion of the Gross Proceeds will be used, directly or indirectly, to replace funds that the Borrower used (directly or indirectly) to acquire securities or obligations producing (or expected to produce) a Yield higher than the Yield on the Obligations.

NO OVER-ISSUANCE OR EXCESSIVE MATURITY

6. (a) The sum of the Proceeds and the reasonably expected investment earnings thereon does not exceed the amount reasonably expected to be required to pay Project Costs, including interest on the Obligations during the Project period and financing costs.

(b) The term of the Obligations is not longer than reasonably necessary for the governmental purposes thereof, and is not longer than the expected useful life of the Equipment.

(c) In connection with the issuance of the Obligations, the Borrower has not utilized any device (not described in this Certificate) which attempts to circumvent the restrictions of the Code to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage. The Borrower has not attempted to increase improperly the burden on the market for tax-exempt securities (for example, by selling its obligations in larger amounts or with longer maturities, or selling them sooner, than would otherwise be necessary).

COMPLIANCE WITH REBATE REQUIREMENT

7. In the Agreement, the Borrower has agreed to comply with provisions of the Code which in some circumstances require the Borrower to pay some of its investment earnings to the United States, as provided in Code Section 148.

PRIVATE ACTIVITY TESTS

8. No payment on the Obligations is secured by property to be used in any private business. None of the Proceeds are to be used for any such private business use. The Borrower has no leases, management contracts or other agreements with private entities or the federal government for either (a) management or operation of the Equipment, or (b) the use of designated portions of the Equipment.

QUALIFIED TAX-EXEMPT OBLIGATIONS

9. (a) None of the Obligations are "private activity bonds" within the meaning of Code Section 141. The aggregate amount of tax-exempt obligations, including the Obligations, issued and reasonably expected as of today to be issued in calendar year 2017 by (i) the Borrower, (ii) all entities on behalf of which the Borrower issues tax-exempt obligations, (iii) all governmental units that are "subordinate" to the Borrower, within the meaning of Code Section 265(b)(3), and (iv) all entities that issue tax-exempt obligations on behalf of the same such entities, does not exceed \$10,000,000. The Borrower has no reason to believe that the Borrower and such other entities will issue tax-exempt obligations in 2017 in an aggregate amount that will exceed such \$10,000,000 limit.

(b) In making the statements in subparagraph (a) above, I have taken into account (i) all the Borrower's departments and agencies and (ii) all political subdivisions or other entities (x) which have the power to borrow money or enter into contracts and (y) of which the Borrower is a member or over which it has legal or practical control. For all of such entities, I have taken into account all bonds, bond anticipation notes, installment or lease-purchase contracts and all other obligations to pay money (excluding only current accounts payable and private activity bonds) issued or to be issued or contracted by such entities in calendar year 2017. I have not included those private activity bonds or those refunding obligations excluded from the annual \$10,000,000 calculation by Code Section 265(b)(3).

INVESTED SINKING FUNDS

10. There are no funds (a) to be held under the Agreement or (b) which are pledged as security for the Obligations (including by way of negative pledges), or which will be used to pay the Obligations, or which could be reasonably be expected to be available to pay the Obligations if the Borrower were to encounter financial difficulty, other than the Project Fund referenced above. The Borrower will pay the Obligations from its general funds, with there being no obligation (or expectation) on the part of the Borrower or any other entity to segregate or identify any particular funds or accounts for the payment of or security for the Obligations.

MISCELLANEOUS

11. (a) No substantial part of the Equipment will be sold, no arrangement has been or will be entered into with respect to the Equipment that would be treated as a sale for federal income tax purposes, and the Borrower expects to use the Equipment for its currently-intended purpose at least until the stated date for final payment of the Obligations, in all cases other than such insubstantial portions as may be disposed of in the ordinary course of business due to normal wear or obsolescence.

(b) There are no other tax-exempt bonds, notes or obligations of the Borrower which (1) were or will be sold within 15 days of the date of sale of the Agreement, (2) were or will be sold pursuant to a plan of financing common with the plan of financing for the Agreement, and (3) are reasonably expected to be paid from substantially the same source of funds as the Agreement.

(c) None of the Proceeds will be used to make any payment on any other Borrower obligation that was contracted in the exercise of the Borrower's borrowing power.

(d) No portion of the Obligations is Federally Guaranteed.

REASONABLENESS; BINDING EFFECT

12. To the best of my knowledge and belief, the expectations set forth above are reasonable and the statements set forth above are correct. The Borrower's covenants made as described in this Certificate are intended as binding covenants of the Borrower.

WITNESS my signature this ____ day of October, 2017.

Finance Director
City of Eden, North Carolina

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box			<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Instructions for Form 8038-G

(Rev. September 2011)

Information Return for Tax-Exempt Governmental Obligations



Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental obligations issued after December 31, 1986, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales



For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust

indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For build America bonds (Direct Pay), build America bonds (Tax Credit), and recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.

For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean renewable energy bonds, Midwestern tax credit bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Rounding to Whole Dollars

You may show amounts on this return as whole dollars. To do so, drop amounts less than 50 cents and increase amounts from 50 cents through 99 cents to the next higher dollar.

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

Tax-exempt obligation. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, **and**
- More than 10% of the payment of principal or interest of the issue is **either (a)** secured by an interest in property to be used for a private business use (or payments for such property) **or (b)** to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which **(a)** are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and **(b)** exceeds the lesser of 5% of the proceeds **or** \$5 million.

Issue price. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions. However, obligations issued during the same calendar year **(a)** under a loan agreement under which amounts are to be advanced periodically (a “draw-down loan”) or **(b)** with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meet the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization, **and**
2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed

return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, “Amended Return Explanation.” Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer’s name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer’s return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer’s number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the date on which the issuer physically

exchanges the bonds that are part of the issue for the underwriter’s (or other purchaser’s) funds. For a lease or installment sale, enter the date interest starts to accrue in a MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write “None.”

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *Issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, if different from those of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a “municipal lease.”) Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the obligation are received in the form of cash, even if the term “lease” is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to compute the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay

principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. Enter the amount of the proceeds of this issue used to make a loan to another governmental unit, the interest of which is tax-exempt.

Line 38. If the issue is a loan of proceeds from another tax-exempt issue, check the box and enter the date of issue, EIN, and name of issuer of the master pool obligation.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes

the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action.

Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the

return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us

the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send the form to this office. Instead, see *Where To File*.

RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20

WHEREAS, the City of Eden desires to enter into a fifteen year installment financing agreement in the principal amount not to exceed \$1,100,000 for the purpose of financing the cost of Street Resurfacing Projects (the "Project") to better serve the citizens of Eden; and

WHEREAS, The City of Eden desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the City Council Members of Eden, North Carolina, meeting in regular session on the 19th day of September 2017, make the following findings of fact:

1. The proposed contract is necessary or expedient because it allows the City to (i) resurface city streets that are in poor or very poor condition, and (ii) obtain reimbursement of General Fund expenditures related to street resurfacing projects. Each of the improvements financed by the proposed contract serves a public purpose for the citizens of the City of Eden.
2. The proposed contract is preferable to a bond issue for the same purpose because (i) the up-front costs are lower than a bond issue, (ii) the time frame to complete the financing is shorter than a bond issue, and (iii) it allows for prepayment of the debt if future financing through revenue or general obligation bonds is needed. The \$1,100,000 exceeds the amount that can be prudently raised from current appropriations, unappropriated fund balance, and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution (the "two-thirds limitation").
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the payments are amortized over 15 years at an interest rate not to exceed 2.63%, yielding annual payments of \$90,075.07. Additionally, prepayment premium shall be calculated as a percentage of the principal amount prepaid, as follows: prepayment of the principal balance in whole on any date with a 1% prepayment premium. It is anticipated that the payments will be paid through general fund revenues.
4. The City of Eden's debt management procedures and policies are good because of good financial practices. The City of Eden's outstanding debt as of June 30, 2016 was \$19,170,176. The legal debt margin for the City of Eden as of June 30, 2016 was \$66,250,808. The City of Eden's debt management policies have been carried out in strict compliance with the law, and will henceforth be so carried out.



City of Eden

MEMO

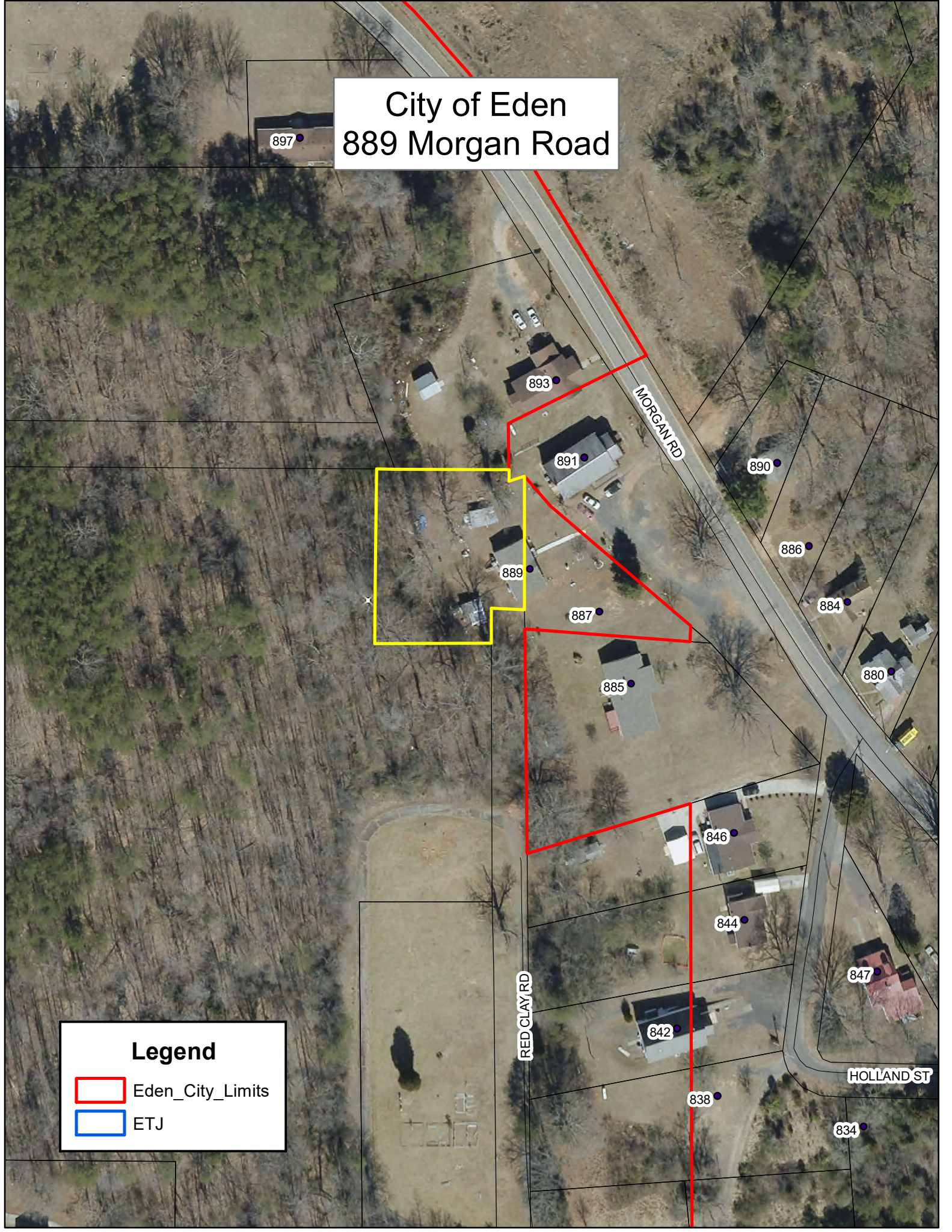
TO: Honorable Mayor and City Council
THRU: Brad Corcoran, City Manager
FROM: Kelly K. Stultz, AICP, Director
SUBJECT: **Annexation Requests**
DATE: September 7, 2017

Last month, City Staff discovered that the properties at 889 Morgan Road and 893 Morgan Road, which are outside the city limits, were receiving water at the inside city rates.



Letters were mailed to the property owners to inform them of this and they were given the opportunity to Petition for voluntary annexation. Both property owners have filed the appropriate Petitions requesting annexation.

A motion to adopt a "Resolution Directing the Clerk to Investigate Petitions Received under G.S. 160A-58.1" is in order.

City of Eden
889 Morgan Road



Legend

-  Eden_City_Limits
-  ETJ

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER N.C.G.S. 160A-58.1**

WHEREAS, a Petition requesting annexation of property described in said Petition was received on August 23, 2017, by the City Council of the City of Eden; and

WHEREAS, N.C.G.S. 160A-58.2 provides that the sufficiency of the Petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Eden deems it advisable to proceed in response to this request for annexation:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Eden that:

The City Clerk is hereby directed to investigate the sufficiency of the above described Petition and to certify as soon as possible to the City Council the result of her investigation.

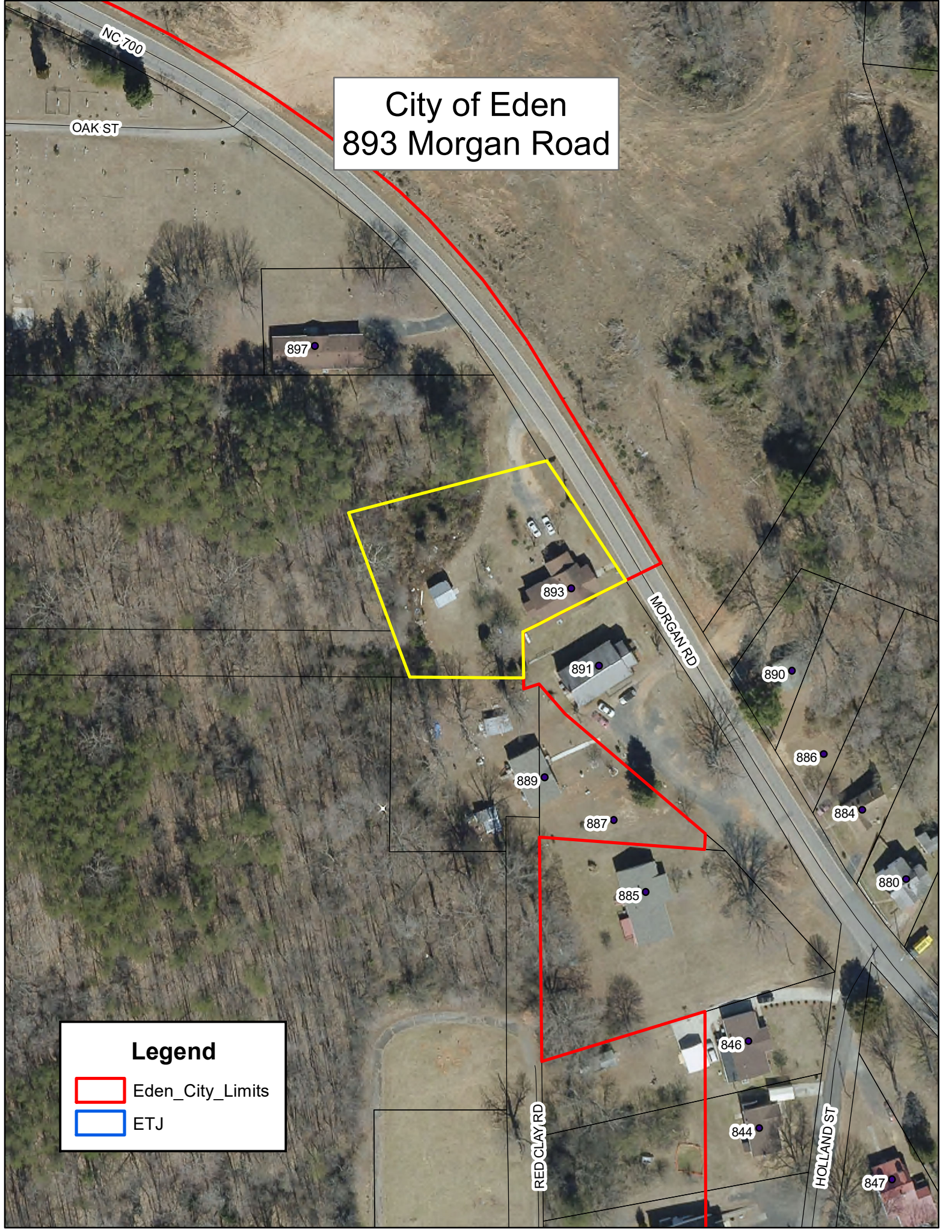
CITY OF EDEN

BY: _____
Wayne R. Tuggle, Sr., Mayor

ATTEST:

Sheralene Thompson, CMC
City Clerk

City of Eden 893 Morgan Road



Legend

- Eden_City_Limits
- ETJ

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER N.C.G.S. 160A-58.1

WHEREAS, a Petition requesting annexation of property described in said Petition was received on September 5, 2017, by the City Council of the City of Eden; and

WHEREAS, N.C.G.S. 160A-58.2 provides that the sufficiency of the Petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Eden deems it advisable to proceed in response to this request for annexation:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Eden that:

The City Clerk is hereby directed to investigate the sufficiency of the above described Petition and to certify as soon as possible to the City Council the result of her investigation.

CITY OF EDEN

BY: _____
Wayne R. Tuggle, Sr., Mayor

ATTEST:

Sheralene Thompson, CMC
City Clerk

CITY OF EDEN, N. C.

The regular meeting of the City Council, City of Eden, was held on Tuesday, August 15, 2017 at 6:00 p.m. in the Council Chambers, 308 E. Stadium Drive. Those present for the meeting were as follows:

Mayor:	Wayne Tuggle, Sr.
Council Members:	Bernie Moore
	Jim Burnette
	Angela Hampton
	Jerry Epps
	Darryl Carter
	Neville Hall
	Jerry Ellis
City Manager:	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Deputy City Clerk: (absent)	Deanna Hunt
Representatives from Departments:	
News Media:	Gerri Hunt, Eden News

MEETING CONVENED:

Mayor Tuggle called the regular meeting of the Eden City Council to order and welcomed those in attendance. He explained that the Council meets the third Tuesday of each month at 6:00 p.m. and works from a prepared agenda; however, time would be set aside for business not on the printed agenda.

INVOCATION:

Mr. Daryl Law, Pastor, Eden Baptist Church, gave the invocation followed by the Pledge of Allegiance.

RECOGNITIONS AND PROCLAMATIONS:

- a. Eden Youth Council Oaths: Swearing in of Eden Youth Council.

Mayor Tuggle asked Council Member Jim Burnette to come forward. He then asked Mason Barham, Lindsey Cox, William Flynt, Nicole Hernandez, Grey Martin and Larson White, to come forward to take the oath as new members of the Eden Youth Council 2017-2018.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

SET MEETING AGENDA:

A motion was made by Council Member Moore seconded by Council Member Carter to set the meeting agenda. All Council Members voted in favor of this motion. This motion passed.

PUBLIC HEARINGS:

There were no public hearings scheduled.

REQUESTS AND PETITIONS OF CITIZENS:

Mr. Reece Pyrtle, 130 Tamerlane Ct. Stoneville, addressed the City Council.

Mr. Pyrtle explained that he was there as one of their county commissioners to invite them to the Rockingham County Leadership war on opiate abuse. The event will be held on September 29 at the Eden Ball Room. He explained that one of the first things he did after taking office in November was to form an Opiate Abuse Task Force where he brought some of the community service providers together to address some of the issues that they have in their community. He pointed out that it was not unique to Eden, Rockingham County or North Carolina. It was a national epidemic. He explained that he never thought he would see it, but every one of them in this county carry a narcan kit, because the problem was so relevant.

So one of the things we are doing is through the North Carolina County Commissioners Association we have set up a county-wide leadership forum on opiate abuse and it was something they hope to have in every county across the state. The target audience for this forum is the elected officials. They want to get every elected official in Rockingham County to attend this forum so they would have an understanding of the problem that they face. The goals of the forum was to elevate the awareness to all local elected officials so that they have common understanding of the opioid epidemic in their county and to discuss its causes and effects on citizens and its implication for the county's future. This will educate them on the successful prevention and treatment programs and to provide available resources in the county.

They hope to get every elected official in the county, the sheriff, district attorney and everybody, in the same room so that together they could think outside the box of what they could do to address it in their community. He thought they had an obligation to those who they serve to try to come together and just share some ideas on what they could do.

He also wanted to let them know that they were having a county-wide event on Thursday, August 24 at 3:00 p.m. at the governmental center where they were going to gather to remember those who have lost their lives to opioid addiction.

Mr. Pyrtle thanked them for allowing him to speak.

Council Member Burnette pointed out that it was eye opening.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

Mr. Pyrtle noted that just across the state line in Martinsville, Virginia, they have a terrible problem and per capita they were leading the nation. That was something that impacted their area too. It was so important to get the dialog going in their community to address this issue.

UNFINISHED BUSINESS:

There was no Unfinished Business at this time.

NEW BUSINESS:

a. Consideration and Approval of Building Rehabilitation Grant.

Mayor Tuggle asked Mr. Mike Dougherty, Director of Economic Development and Mr. Randy Hunt, Main Street Manager, to come forward.

Mr. Hunt explained that he would be presenting a PowerPoint on the Building Rehabilitation Grant (BRG) program. He explained that the BRG was created to provide matching grants to encourage improvements and/or upgrades to the interior and exterior of downtown buildings to make them more attractive for new, existing and expanding businesses. Under the program, applicants are eligible for up to thirty-three and one third percent (33.3%) of the actual improvement costs up to a maximum award of \$5,000.00. Applications will be accepted on an on-going basis and grants will be awarded based on the project meeting the program eligibility requirements. Grants will be awarded depending on the availability of funds.

Buildings located within Eden's traditional downtown areas, including Historic Leaksville, Downtown Draper, The Boulevard and The Cook Block are eligible to be considered for this program.

A copy of the PowerPoint is on file in the office of the City Clerk.

Council Member Hall questioned the eligibility for work prior to submission and would they include those two that were ongoing.

Mr. Dougherty replied that they wanted them to do a building permit but if they had started construction, prior to right now, and he could re-word that.

Council Member Hall stated that he just wanted to make sure that they would be retroactive and make these two eligible for this year's grant because in the budget, with this language it would eliminate them from being able to apply.

Mr. Dougherty replied that they could add exceptions made by city staff.

A motion was made by Council Member Burnette seconded by Council Member Ellis to approve the Building Rehabilitation Grant program. All Council Members voted in favor of this motion.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

- b. Consideration of Recommendation to Accept a Portion of Southwood Drive for Maintenance.

Mayor Tuggle asked Ms. Kelly Stultz, Director of Planning & Inspections to come forward.

Ms. Stultz explained that she was asking them to consider accepting for maintenance the portion of Southwood Drive between East Arbor Lane and East Harris Place. This section is 876 feet long and 29 feet wide and was dedicated to the public by map recorded in Map Book 54 page 45 in the Office of the Rockingham County Register of Deeds.

The developer for Ashton Way Apartments has agreed to partner with the City of Eden with the improvement of this section of Southwood Drive. If accepted, the City's portion of the project will be completed in conjunction with the improvements to East Harris Place. The City will be able to reuse the stone and millings removed from East Harris Place as the stone base for Southwood Drive. The Ashton Way developer will be installing the asphalt base and asphalt surface course to complete the construction.

Staff recommended that the section of Southwood Drive from East Arbor Lane to East Harris Place as shown on the attached map be accepted for maintenance and be made a part of their Powell Bill street list.

Mayor Tuggle commented that it would certainly improve that area.

A motion was made by Council Member Moore seconded by Council Member Burnette to approve the acceptance of a portion of Southwood Drive for maintenance. All Council Members voted in favor of this motion.

REPORTS FROM STAFF:

City Manager's Report – August 2017

Administrative & Legal Services Department

Positively Eden! Strategic Plan – Update

The Steering Committee for the *Positively Eden!* Strategic Plan met with City staff on Friday, August 11 to receive final copies of the plan and to receive updates from City staff concerning implementation of the plan and the staffing responsibilities for each strategy.

Final copies of the plan will be distributed to the Mayor and members of City Council during the City Council meeting on August 15 and on August 16 a link to the final plan will be available on the home page of our website at www.edennc.us/. In addition, on August 16 unbound copies will be available for purchase by anyone interested at a cost of \$15.00 from the Planning and Inspections Department.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

Future updates on the implementation efforts related to each strategy will be provided periodically to the Steering Committee, City Council and then included in my monthly report and/or as a link on the home page of our website. An initial update from the five staff members overseeing the efforts to achieve the five strategies identified in the report that was provided to the Steering Committee on August 11 has been included at the end of this report for informational purposes.

Citizens Academy Update

The 2017 Citizen’s Academy is scheduled to get underway on August 17. We have 15 individuals that will be participating in the academy. They include:

- | | |
|------------------------|--------------------|
| Leialoha Autry | Gerri Hunt |
| Christy Ann Bailey | Mona Lisa McCorkle |
| James A. Bollengier | Deirdre Moyer |
| Teresa Bray | Patrick Reamy |
| LaTisha Brown | Michael Richardson |
| Sandra Brown | Aris Rosario |
| Barbara Rasine Garland | Sandy Williams |
| Jackie Hampton | |

The schedule for the 2017 academy is as follows:

- August 17: Welcome, Historical Background, Consolidation, Form of Government, City Structure & Roles of Mayor, City Council and Appointed Staff, Eden Youth Council, & *Positively Eden!* Strategic Plan
- August 24: Police Department & Information Technology Department
- August 31: Fire Department
- September 7: Public Utilities, Water Filtration Plant & Wastewater Treatment Plant
- September 14: Municipal Services Department (Streets, Solid Waste, Collection & Distribution, Fleet Maintenance, Facilities & Grounds) & Engineering Department
- September 21: Economic & Tourism Development Department
- September 28: Parks & Recreation Department
- October 5: Planning & Inspections Department
- October 12: Finance & Human Resources Department
- October 17: City Council Meeting - Graduation

Economic & Tourism Development Department

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

MillerCoors Site Update

Activity on this site has increased significantly since June of 2017. The City is working with a NC industrial broker on one of these projects. The persistent rumors of Pabst having already purchased the facility are not true as no offers had been made on the property as of mid-July. MillerCoors has made selling the property to a manufacturer a top priority because the company wants to replace the lost jobs at the brewery. The rumors that MillerCoors will not sell to another brewer are also untrue. The City of Eden, Rockingham County and NC Department of Commerce are working all potential leads on this site.

Building Rehabilitation Grant

The *Positively Eden!* Strategic Plan includes a strategy to “Broaden The Impact of Downtown Eden” and associated with this strategy is the goal to “expand private investment incentives to improve Downtown’s public space”. On August 15 Mr. Mike Dougherty, Director of Economic Development and Mr. Randy Hunt, Main Street Manager will be unveiling and presenting to the City Council the new Building Rehabilitation Grant (BRG) program. This program is designed to encourage rehabilitation of existing buildings or assist in building up fits for new businesses. The grants range from \$500 to \$5,000 and can cover up to 33.3% of rehabilitation costs, provided specific eligibility requirements are met. The grant program will be available to property and business owners in Eden’s traditional downtown areas of Historic Leaksville, Downtown Draper, The Boulevard and The Cook Block.

Berry Hill Mega Park Update

Work continues on our efforts to find additional grant funding for the water infrastructure needs of the Berry Hill Mega Park. It appears we are in good position to receive a \$2.0 million EDA grant as long as we can get assurances from six property owners that they would be willing to negotiate an easement for the placement of the waterline. Efforts to secure the necessary assurances are currently underway. Travelers on Berry Hill Road can now see the cleared sites within this park and its potential for industrial development. The Commonwealth of Virginia and local Danville and Pittsylvania County developers are aggressively marketing the park, as economic development in “south side” Virginia is a top priority within that state. City staff here in Eden is continuing to work with Dewberry Engineering in reference to the water extension design/plans and we are eagerly awaiting the due diligence decisions by The Southern Company and Enviva, as well as progress with other prospective clients.

Apprenticeship Program

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

Guilford Apprenticeship Partners presented a program that has been running in Guilford County for the last few years and is now being implemented in Randolph County. They want Rockingham to be part of this program. The NC General Assembly has allocated \$3.5 million to the program for the 2018-19 fiscal year. High School Juniors and Seniors spend ½ a day in class and ½ a day at a local company learning a skill. They spend 6,400 hours on the job and 1,600 hours at a community college. At the end of the apprenticeship they have earned a two- year degree, a Journeyman’s Certificate and are guaranteed a job. They are paid throughout this process. The process takes about a year to implement. Seven Rockingham County companies have expressed interest and more are being sought. An estimated 10 million skilled worker positions will be open within five years due to retirements. Apprenticeships offer a way to help fill these positions.

Main Street Statistics-Eden Exceeds \$8 Million In Investment

Each July, statistics are compiled on activity within the downtown areas of Historic Leaksville and Downtown Draper as part of Eden’s participation in the NC Main Street program. Since August of 2016, the following has happened in these downtown areas:

	<u>Current Year</u>	<u>Since 2003</u>
Façade’s redone	5	59
Building Rehabs	3	67
Net New Jobs	10	189
Net New Businesses	0	63
Business Expansions	0	17
Public Investment	\$ 133,044	\$1,623,704
Private Investment	\$ 959,659	\$6,495,546
Total Investment	\$1,092,703	\$8,120,300

The \$959,659 is the single highest amount of private investment made in Eden’s downtown areas since our city became a NC Main Street community in 2003. Eden also passed a milestone with more than \$8,120,300 in total investment in the downtown areas.

The City thanks those business and property owners who invested their time, resources and diligent work to make a difference in our downtown areas.

Downtown Commercial Updates

Central Hotel – Owner Jonathan Wise was contacted about the Central Hotel. He stated that he intends to reinstall the windows in the hotel soon.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

Ashley Latham Photography – Interior upgrades on the Washington Street building that photographer Ashley Latham has renovated are about 90% complete and she has begun a façade installation. She expects to be operating in August.

Barbershop – The new barbershop at 658 Washington Street will open soon.

Full Moon Saloon – It appears that a sale is imminent on the former Full Moon Saloon building. What has been a dormant building for approximately 5 years will now be a renovated structure housing a future downtown business.

Formal Wear Shop – Owner Christian Cartolli is opening the new formal wear shop in the former Elaine’s Antique building at 647 Washington Street. She had a soft opening on August 5, which will be followed by a grand opening in the near future.

Other Commercial Updates

Mc Daniels Hair Supply and Fashion – This business is now open at 408 N. Van Buren Road just north of Cox Street.

Jo Jo’s Café – This is a new café opening in the former Yuki of Japan space at 403 W. Kings Hwy next to Allstate Insurance.

Dudley Products Salon – Owner Sabrina Gilleylen celebrated with a grand opening on July 28 at her 350-A W. King’s Highway location.

Eden Downtown Development, Inc. – Update

During the July meeting of the Eden Downtown Development, Inc. the following items were discussed:

- Randy Hunt, former President of the Eden Chamber of Commerce was formally introduced as the Eden Main Street Manager. He provided his background to the Board of Directors and his priorities for the new position.
- Due to structural issues at 622 Washington Street, the linear park that was previously discussed for this location will not take place. The City is considering restoration of the property to allow the building to be sold to accommodate a future business.
- An Urban Forestry Grant will be pursued to create a park in Downtown Draper if a property can be donated or acquired for this purpose.

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- The Oink and Ale event went well despite the heat and competition from the Morehead High School graduation. It will be returned to its original mid-May date in 2018.
- The grant guidelines for the new Building Rehabilitation Grant were presented to the EDDC Board of Directors and they were informed that it would be presented to the Eden City Council for their consideration on August 15.
- It was discussed that one of the top priorities being pursued by the Main Street Manager is a microbrewery. Kotis Properties had purchased the National Guard Armory building with plans to create a production facility/tap room, but Greensboro projects have delayed this from happening. The City has been actively working with students of the RCC Center for Brewing Sciences on an Eden microbrewery project but no one has made a commitment yet.

Schedule Of Upcoming Special Events

- **Touch-A-Truck** – Saturday, August 19th (10:00 a.m. – 1:00 p.m.) on Henry Street. Admission – a non-perishable food item for the Kids Backpack Food Program. This event will include food, ice cream, face painting, the Scooby Doo “Mystery Machine” Bouncy, walk around characters, and much more. At this point in time, we already have 45 different vehicles lined up that includes lots of equipment from our Municipal Services Department, fire trucks, Rescue Squad Air Boat, Asplund “Giraffe” vehicle, First Piedmont, Sheriff’s Department, Police Department, Interstate Battery, Duke Energy, Crane & Track Hoe from Sam W. Smith, Inc., Cement Mixer from Chandler Concrete and much more!
- **Freedom Park Music & Cruz In** @ Kiwanis Amphitheatre at Freedom Park. Cruz in starts at 5:30 p.m. and live music at 6:30 p.m. Event is open and FREE to the public. Bring your lawn chair and enjoy. Concessions available. 50/50 drawing, corn hole, door prizes and more. Upcoming sessions include:
 - Saturday, August 26th @ 6:30 p.m. – “Against the Nights” (Christian Blues music)
 - Saturday, September 30th @ 6:30 p.m. – The Impacts
 - Saturday, October 28th @ TBA – Fall Festival
- **Live Beach Music** – August 27th @ Wright Memorial Event Center – Gates open at 3:00 p.m. Entertainment is: Jacob Vaughan @ 4:15 p.m. and The Embers at 5:30 p.m. There will be door prizes, food, vendors, and Shaggin. Tickets can be purchased online at

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www.eventbrite.com and at The Bette-R-Look Salon (Eden), Eden Chiropractic Office (Eden) and Roadside Gypsy (Eden).

- **RiverFest 2017** is going to be FANTASTIC! – September 15th (5:00 – 10:00 p.m.) and September 16th (10:00 a.m. – 10:00 p.m.) along Washington Street. Celebrating Eden’s 50th Anniversary! Some of the features already booked include:
 - Paul Bunyon Lumberjack Show – 3 Performances
 - Amusements
 - Chainsaw Carver
 - Trick Roper
 - Knockerball and Archery Game
 - Gem Sluice
 - Carolina Raptor Center with a Bird Release
 - Cold Blooded Encounters
 - Dan River Basin Association – Kids Activities
 - Three Rivers Outfitters – River Trips
 - Music Lineup consists of 11 bands over two days. A Journey Tribute Band will headline Friday night and an Eagles Tribute Band will headline Saturday night. Several local bands will be performing on two stages all day Saturday.
 - Strolling Magician
 - Lots of Great Food

Shaggin’ On Fieldcrest Update

This event was well received. We had the biggest crowd ever and it was a great show by Jim Quick & Coastline. Jim and his band love Eden and want to come back again next year. The Shaggin’ on Fieldcrest committee is great to work with and helps get the job done very efficiently. A special THANK YOU goes out to Tim & Diana Biggs for allowing us to invade their restaurant and property and for bringing this great event idea to us 5 years ago!

New City Hall Sign Update

The stone on the large sign has been completed. Duke Energy is going to install a meter on the back of the sign and then the LED will be installed. “EDEN CITY HALL” lettering has been ordered. They will be 10” tall and in a dark bronze color.

50th Anniversary Update

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- Staff is working with the Eden Museum on their display windows that will showcase 50th Anniversary pieces during RiverFest. A big unveiling is being planned for the week prior. People will also be dressed in 60's attire and playing 60's music during RiverFest.
- The Greensboro News & Record 50th Anniversary piece was in the paper on July 30.
- Staff is working on the RiverFest booth and is hoping to use the Eden Youth Council as volunteers.
- The time capsule commemorating our 50th Anniversary will be our next project.
- Ms. Sheralene Thompson, City Clerk has created a book that contains lots of historic information, pictures, newspaper clippings etc. that we are having bound and will soon be available for purchase. It is fantastic!

WFMY – News 2 Commercial

Filming took place on August 1 for our “Road Trippin” commercial. It will air for two weeks. Ours is entitled “Diners, Downtown and Drive-Ins”. The commercial features the following:

- Eden Drive In
- Dick's Drive In
- Mrs. Kitty's
- Downtown Deli
- Belladonna's Antiques
- Pace-Stone
- Front Porch
- Barbour Studio & Gallery
- Sweet Revenge
- Eden Historical Museum
- There are also cameo shots of the clock, park, etc.

The initial feedback has been well received and we hope to use it on various social media platforms and our website.

Rain Barrel Workshop

In conjunction with the Dan River Basin Association (DRBA) we are offering a Rain Barrel Workshop in the Eden Room inside the Eden Municipal Building on Thursday, August 17 from 5:30 to 7:30 p.m. All supplies will be provided. The cost is \$45. Please contact Ms. Cindy Adams, Coordinator of Tourism and Special Projects/Events if you are interested in participating and need more information. She can be reached at cadams@edemnc.us and 336-623-2110.

River Clean Up Date

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A river cleanup is planned for Friday morning August 18 from the Leaksville Landing to NC Wildlife Access. Please contact Ms. Cindy Adams, Coordinator of Tourism and Special Projects/Events through her contact information above if you are interested in participating and need more information.

Tourism Board – Update

The Eden Tourism Board met on Wednesday, July 26. Ms. Tiffany Hayworth, Executive Director for the Dan River Basin Association (DRBA) made a presentation on a potential Otter Holt project that would be constructed on the Smith River near the Smith River Greenway.

Other business included event updates, a report on the Dixie Youth State Baseball Tournament, a niche group visit report, TDA grant report, Grogan Park update, Quilt Square Unveiling Report, Rivers & Trails Group report, and a discussion about nominations for new board members.

Occupancy Tax Collections Update

We are pleased to announce that FY 2016-17 yielded the highest annual occupancy tax year we have ever had in Eden. This is especially noteworthy in view of the losses we were anticipating from the closing of MillerCoors. In FY 2006-07 during our first full year of collections the occupancy tax collections equaled \$59,619.00. During FY 2015-16 total collections equaled \$77,483.93 and collections for FY 2016-17 increased by an additional 3.05% to \$79,851.00.

Engineering Department

Street Resurfacing Projects - Update

Construction of the FY 2017-18 Street Resurfacing Contract, No. 1 (see included list) is still in progress. All of the asphalt milling and structure adjustments have been completed. Waugh Asphalt has seven more streets to resurface which should be completed early next week. After that, the grade crew will be coming in to complete the stone shoulder reconstruction along the new asphalt pavement.

The FY 2017-18 Street Resurfacing Contract, No. 2 (see included list) has been completed. All eight street sections have been asphalt milled and overlaid.

The FY 2017-18 Street Resurfacing Contract, No. 3 (see included list) and the E. Harris Place Improvements/Southwood Drive Projects are tentatively scheduled to start mid-September or early October. The start of these projects will depend on the weather and the workload of the contractor.

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CONTRACT 1

Street Name

Description

FOX RUN	SPOT REPAIR (70 FT)
HARRIS STREET	KLYCE TO ELM
KLYCE STREET	WASHINGTON TO HARRIS
TULLOCH STREET	HARRIS TO DEAD END
WESTWOOD DR. (PATCH ONLY)	WASHINGTON TO WEST
ASH STREET (PATCH ONLY)	SPRUCE TO CHESTNUT
BEARSLIDE COURT	W. ARBOR TO ROUNDABOUT
CAROLYN COURT	HIGHLAND PARK TO END
CHURCH STREET	JOHNSTON TO DEAD END
MOREHEAD STREET	GLOVENIA TO CHERRY
WILLIAMS STREET	CEDAR TO DEAD END
WILLOW STREET	CEDAR TO S. JOHNSTON
CLARKWAY DRIVE (PATCH ONLY)	HODGES TO CIRCLE
DAMERON STREET	EWELL TO THE DEAD END
FRANKLIN DRIVE (PATCH ONLY)	CIRCLE TO TENTH
GROVE STREET	MORGAN TO VICTOR
HUNTER STREET	HODGES TO OSBORNE
HUNTER STREET	OSBORNE TO CIRCLE
OSBORNE STREET	PITCHER TO CIRCLE
ORRELL STREET	EWELL TO LLOYD
VIRGINIA STREET	HAIZLIP TO CHATHAM
HARRY AKERS STREET	MEADOW TO DEAD END
ROOSEVELT STREET	CHATHAM TO FRIENDLY
BURGESS STREET	FIELDCREST TO FRONT
DEER PATH	OAK RIDGE TO CUL-DE-SAC
EDGEWOOD ROAD N.	FIELDCREST TO STADIUM
WOODVIEW DRIVE	STADIUM TO MARYLAND
WOODVIEW DRIVE	MARYLAND TO DEAD END
ASHBY STREET	HIGH TO CITY LIMIT LINE

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OVERBY STREET	FIELDCREST TO HURD
POWELL DRIVE	STADIUM TO DEAD END
CITY HALL DRIVE (PATCH ONLY)	SPOT REPAIR (140 FT)

CONTRACT 2

Street Name

Description

GLOVENIA STREET	CHESTNUT TO TAYLOR
HENRY STREET	EARLY TO MONCURE
MOIR STREET	TAYLOR TO MONCURE
MONROE STREET	EARLY TO TAYLOR
MONROE STREET	TAYLOR TO (523) MONROE ST.
PATRICK STREET	EARLY TO LINDSAY
TAYLOR STREET	HENRY TO MONROE
DYER STREET	IRVING TO DEAD END

CONTRACT 3

Street Name

Description

BARNETT STREET	HARRIS TO TROGDON
BURTON STREET	MCCONNELL TO DEAD END
BURTON STREET	MCCONNELL TO WEST AVE
GALLOWAY STREET	PATTERSON TO ANDERSON
LAMBERT STREET	ELM TO TROGDON
LOFTUS STREET	WASHINGTON TO GALLOWAY
MANNING STREET	OAKWOOD TO DEAD END
MANNING STREET	KLYCE TO ELM
MARTIN STREET	WASHINGTON TO BURTON
MILLNER STREET	SEYMOUR TO DEAD END
SIMPSON STREET	KLYCE TO CUL-DE-SAC
GREENWOOD STREET	EARLY TO TAYLOR
HENRY STREET	WASHINGTON TO JAY
MOIR STREET	EARLY TO TAYLOR

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CEDAR STREET	WILLIAMS TO WILLOW
ELLERBE COURT	PRICE TO MEREDITH
HENRY STREET	EARLY TO IRVING
IRVING AVENUE	BRIDGE TO BOULEVARD
MAPLE STREET	WILLIAMS TO WILLOW
MEREDITH COURT	ELLERBE TO CUL-DE-SAC
MOIR STREET	MANLEY TO OAK
SECOND STREET	OAKLAND TO BUCK
THE BOULEVARD	OAK TO GLOVENIA
THE BOULEVARD	GLOVENIA TO CARROLL
JEFFERSON STREET	PRESTON TO PARK RD
HALE STREET	MEADOW TO RR TRACKS
CENTER STREET N.	STADIUM TO RIDGE
DELAWARE AVENUE	HUNDLEY TO DEAD END
DELAWARE AVENUE	CENTER TO HUNDLEY
EISENHOWER COURT	MILL TO CUL-DE-SAC
HIGH STREET	STADIUM TO MILL
HUNDLEY DRIVE S.	SOUTH TO DEAD END
MILL AVENUE	FIELDCREST TO HIGH
RIDGE AVENUE	FIELDCREST TO HIGH
RIDGE AVENUE	HIGH TO BETHEL
WOODROW AVENUE	FIELDCREST TO DEAD END

Waterline Replacement Projects Update

A subcontractor for Sam W. Smith, Inc. completed the installation of the 6-inch diameter ductile iron water main and 2-inch diameter PVC water main along Caleb Street, north of the Flinchum Street intersection on July 22. After all required testing was passed and final approval was received from the state regulatory agency, the process of switching customers over to the new water main began on August 4.

Stoltzfus Engineering, Inc. has been selected to prepare plans for replacing the Sunset Drive galvanized waterline. A 6-inch diameter water main will be installed between Conover Drive and Knollwood Drive.

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A bid opening for the Victor Street waterline replacement project is set for August 24.

Fire Department

ISO Rating

Tommy Underwood, Fire Chief and other staff members will meet with a representative from the North Carolina Department of Insurance Ratings and Inspections Division on September 13 to discuss our ISO (Insurance Service Office) rating and areas where the fire department can improve its score. ISO ratings can range from 1 to 10 with 1 being the best and 10 being considered no rating. Our last inspection was held in January of this year and we scored 67 which are 6.52 more points than our previous inspection in 2001. This resulted in us keeping a 4 rating. In fact, we are only 3 points away from achieving a 3 rating. The NCDOI (North Carolina Department of Insurance) has changed the way they currently rate departments across the state and that was one of the reasons our rating score improved. Ratings of 6 through 10 often have an impact on the insurance premiums residential property owners are required to pay for their homeowner insurance policy. Ratings of 5 and below often impact the insurance premiums for industries such as Gildan Activewear. The lower our ISO rating the more savings an industry often realizes through their insurance premiums. Obviously, this can be important when trying to attract new industry to the City and keep what we already have. We believe changes to our training requirements, call response requirements and staffing levels would help us to achieve a rating of 3. During this meeting we will be reviewing the specifics of our last inspection to identify additional action steps that can be taken to improve our rating.

Purchase of Turn Out Gear

A representative with Atlantic Emergency Solutions based out of Colfax North Carolina was at the fire department on August 8 to size and measure members of the fire department for the 12 sets of turn out gear that were approved in the current budget for replacement. We have been told the turnaround time for delivery will be approximately 10 weeks.

Municipal Services Department

Tornado Clean-Up Efforts & NC Emergency Management Update

Staff met with a representative of NC Emergency Management and a representative from Rockingham County Emergency Management on August 9 to review our documentation to date in relation to our response and cleanup efforts associated with the May 5 F1 tornado that struck our community. The final phase (and most expensive single component) of our cleanup effort is the grinding and hauling of the debris that we have collected that is now in our tornado related debris pile. We are currently in the process of preparing bid packages that will be distributed and

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advertised in the next week or two. Once we have completed all of our work we submit the appropriate documentation to NC Emergency Management for reimbursement of 75% of our eligible costs. The City of Eden will be responsible for the remaining 25% of costs.

Parks & Recreation Department

North Carolina Dixie Youth Baseball Ozone State Tournament Update

The 2017 North Carolina Dixie Youth Baseball Ozone State Tournament was held at Freedom Park July 14 - 20. There were 10 teams in the tournament, and 8 of those teams were from outside of Eden and Rockingham County. There were players, coaches, parents, and other relatives who spent many nights in local motels and ate many of their meals at local restaurants. This was the 8th State Tournament the City has hosted since 2007. This tournament was very successful and we hope to be awarded additional Dixie Youth Baseball State Tournaments in the future. In fact, we have already placed a bid for one of the 2018 State Tournaments and will be notified at some point in October or November if we have been selected as a host site for 2018.

Community Accents Program

Staff participated in the Community Accents Program with WLOE radio on August 11 and will be doing so again on September 8. We use these opportunities to update our residents and others about the Parks and Recreation programs that are happening during the month of August, September and the upcoming Fall/Winter seasons.

Dog Park and Splash Pad

The Director of Parks and Recreation and City Manager visited Dog Parks and Splash Pads in neighboring communities on August 10 and are working to determine how the City can make these types of facilities available at Freedom Park.

Freedom Park Nature Trail Improvements Project Update

Staff is planning to begin work on upgrading the Freedom Park Nature Trail and adding 10 camping sites for RVs at the back of Freedom Park. Work is expected to begin in the fall of this year so the sites will be ready for use in the Spring of 2018.

Be Healthy Rockingham County

Parks and Recreation staff attended a Be Healthy Rockingham County meeting in July and will be attending the upcoming meeting scheduled for September 6. This group is working on doing a

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survey of the County to determine what the needs of the County are as it relates to recreation and health related activities offered in the County. They are using the recently completed City of Eden Parks & Recreation Comprehensive Plan as a guide.

Parks & Recreation Advisory Board

Parks & Recreation staff will soon be assembling a list of names for submittal to the City Manager for City Council’s consideration and approval to serve on the City’s Parks and Recreation Advisory Board.

Planning & Inspections Department

Code Enforcement and Inspections Update

- During the month of July staff completed 224 Inspections of all types. In addition, 45 letters were sent for local code violations and an additional 24 letters were sent under the name of the City Attorney in reference to various delinquent accounts.

Boards and Commissions Update

The **Historic Preservation Commission** met in July and focused their discussions on the Rhode Island Mill. The **Planning Board, Board of Adjustment, Community Appearance Commission and Tree Board** did not meet.

Current Construction Projects

The following construction projects are currently underway:

<i>Commercial</i>	<i>Residential</i>
Ashton Way Apartments	153 Beech Tree Court
Lidl Grocery Store	519 Southwood Drive
Concession Stand at the YMCA	179 Laurel Wood Drive
KFC Remodel	

Matrimony Creek Greenway

Documents have been sent to Stoltzfus Engineering Inc. for the engineering services that will be necessary for this project. On Thursday, July 20 the Eden Rivers and Trails Committee met at the Hampton Heights Baptist Church shelter and walked the proposed trail. The meeting was opened to

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the community and numerous representatives showed up including neighbors and citizens, representatives for the Rockingham County NAACP, City of Eden staff, landowners, Mayor Pro-Tem Jim Burnette, Councilwoman Angela Hampton, a representative from the Kate B. Reynolds Charitable Trust and representatives from the Dan River Basin Association (DRBA). In all, approximately 25 people met and walked the trail. During the post-hike discussion several ideas were raised. These included:

- | | |
|--|-------------------|
| Places for elderly to gain access to the creek | Benches |
| Access between the school and trail | Exercise Stations |
| Education, such as tree identification | Picnic Area |
| Primitive camping | Bathrooms |
| Emergency phones | Water fountains |
| Mountain biking | |

Also mentioned were programming ideas such as:

- Farmers Market location
- Community Events
- Opportunities for small businesses in conjunction with the trail users

There was a follow up stakeholder meeting on July 28 at St. John’s United Methodist Church with representatives from the church, the Kate B. Reynolds Charitable Trust, the City of Eden and DRBA to discuss ways to engage the community in the Matrimony Creek Greenway Project. The main focus of this meeting was on the property adjoining the trail near Ellerbe Court. Representatives from DRBA and other volunteers are planning to conduct a door-to-door survey in the neighborhood during the latter part of September to find out what they would like to see happen on a parcel involved in the project on Meredith Court and Lewis Street. There will then be a community meeting in mid-October and a final meeting to present the gathered information in November.

NCDOT Project No. FS-1707A – Express Design for US 29 Improvements from just South of Hicone Road (SR2565) in Guilford County to the Virginia State Line in Caswell County

Rockingham County, Eden, Reidsville, Stoneville, Madison, Mayodan and Wentworth are a part of the Piedmont Triad Rural Planning Organization. This is an organization that has been in operation for more than a decade and its purpose is to promote planning for and the achievement of transportation goals of rural areas. In effect, it gives rural areas the opportunity to better compete for NCDOT dollars. The Greensboro Northern Beltway/I840 being co-flagged as I785 has now made I785 reaching into Rockingham County a very feasible project both physically and financially. The City of Eden and the City of Reidsville are working together to try and get I785 designation as far

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north as the NC14/29 interchange in order for both cities to have connections with I785. It is now our plan to use the upcoming Piedmont Triad RPO Technical Coordinating Committee (TCC) meeting and then the Transportation Advisory Committee (TAC) meeting to reference the feasibility of this study, the ability to connect Rural Rockingham County to Urban Greensboro via I785, and the opportunity to provide Rural Rockingham County an interstate to assist with economic development efforts. Councilman Darryl Carter is the municipal representative on the TCC for Rockingham County and Kelly Stultz, Director of Planning and Inspections is the City's representative on the TAC.

Police Department

Community Outreach Efforts

The Eden Police Department participated in the National Night Out event at C Street Apartments on August 1. National Night Out is observed annually on the first Tuesday in August and has been celebrated throughout the United States since 1984. It was created to increase awareness about police programs in communities. In addition, the Police Department participated in the Touch-a-Truck event at Camp Carefree and Camp Jubilee. Both of these camps are for populations with special needs. Finally, the Police Department participated in the Paint-a-Rock event held at Freedom Park.

Public Utilities Department

Chloramines Update

The motorized valve for the chlorine line to the chloramine feed building has now been installed and programmed into the Water Plant SCADA (supervisory control and data acquisition) computers. The valve operation has been tested and has passed the test successfully. A new start-up date has been scheduled for Monday, August 14. Notification of the switch from chlorine to chloramine as the disinfectant for the distribution system will be announced through the Code Red notification system, the City of Eden web page and the City of Eden Facebook page prior to August 14. It should be noted that it will take several days before the chloramines are fully into the distribution system. City staff from both municipal services and the water plant will start flushing the distribution lines within a day or two of the chloramines coming on line to move the chlorinated water out of the lines and the chloraminated water in.

Annual Wastewater Report

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The annual Wastewater Report is complete and on our website for viewing. A summary will also be included in next month's edition of Eden's Own Journal. The Wastewater plant again had no violations and the number of SSOs in the Collection system decreased from last year.

EPA Administrative Order on Consent (AOC) to Stop Sewer System Overflows Update

At this time, we are on or ahead of schedule for our projects and our documentation submittals to the EPA and water infrastructure for our grant and loan funding. Our engineering report was due on June 1, and this deadline was met. The Water Infrastructure Section of the North Carolina Department of Environment and Natural Resources has completed their review of our Engineering Report for the EPA Administrative Order on Consent and they submitted questions to us. We now have 30 days to respond with comments and answers to their questions. Our first semiannual progress report that will be submitted to the EPA as a part of the Administrative Order on Consent is due November 1.

Meadow Greens and Covenant Branch Pump Stations Force Main Relief Project Update

This project will tie the Meadow Greens and Covenant Branch Sewer Pump Stations into the underutilized Railroad Pump Station Force Main to provide redundancy to the existing force mains serving these pump stations. Our contractor, Sam W. Smith, Inc. began work on July 31 and has been working steadily.

Positively Eden! Strategic Plan – Implementation Updates

Listed below are implementation updates concerning the 5 strategies identified in the *Positively Eden!* Strategic Plan:

Strategy 1: Broaden the Impact of Downtown: Randy Hunt, Main Street Manager

Mr. Randy Hunt, Main Street Manager submitted the following update information:

Goal 1: Re-energize Downtown Eden's Main Street Program (Main Street is a national program that embraces a 4-point approach to downtown redevelopment: good design (develops space), and organization (develops partners) to do the work, events and materials for downtown promotion (develops markets), and economic vitality (develops businesses and uses) to harness the opportunity.

Idea Box

- Hire a full-time Main Street Manager.
This has been completed
- Invite staff from the NC Main Street Program to facilitate Main Street Program Action Plan.

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A meeting, facilitated by NC Main Street Director Liz Parham, has been scheduled for September 5. The time and location have yet to be determined. Merchants and property owners from all of our traditional downtown areas will be invited to share their concerns and aspirations for the downtown areas.

- Report progress through annual “State of Downtown” luncheon to celebrate successes and share emerging opportunities.
Each September, this event will be held to share the recently completed Eden Main Street statistics from the previous August to July period. This will show the progress made in the downtown areas for the previous year.

Goal 2: Develop a Downtown Eden Branding and Marketing Strategy, with associated brands for Eden’s defined small areas (Leaksville, Draper, Spray, designated historic areas).

Idea Box

- Issue an RFP to and hire a professional branding and marketing firm.
An RFP (request for proposals) will be circulated by the end of August at the latest.
- Develop reflective “sub-brands” for the defined small areas.
The firm hired to assist us with the branding and marketing strategy will be asked to develop sub-brands of smaller commercial areas and assets that can be used as destination points in our branding and/or marketing strategies

Goal 3: Expand private investment incentives to improve Downtown’s public space.

Idea Box

- Consider other matching grants, such as a storefront signage matching grant, mini-streetscape improvements.
The façade grant has been renewed for the 2017-18 year and two downtown businesses have already qualified for grants. Storefront signage is already an approved use of the façade grant. Any streetscape improvements will have to be submitted as part of the 2018-19 budget year and will be pursued.
- Work with the Economic Restructuring Committee to identify other needs for which incentives and/or public private partnerships will improve downtown’s public space.
The City is researching ways in which incentives and partnerships can be developed to promote downtown investment. One project involves an artist who is interested in developing an artist’s school. The City is seeking a way to make this partnership workable for both parties.

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- Fund a downtown incentive grant to help encourage building renovations.
The City of Eden Building Rehabilitation Grant (BRG) will be presented to Eden City Council for their formal consideration on August 15. Grants will range from \$500 to \$5,000 and \$25,000 has already been included in the current budget for this purpose.
- Target coveted businesses specifically for downtown areas, such as microbreweries, restaurants and retail stores.
The Main Street Manager intends to work with local developers on targeting these businesses. There are some existing property owners who have already expressed an interest in seeking microbrewery and restaurant tenants. We will also recruit from neighboring areas for other coveted businesses.

Goal 4: Annually update and distribute Downtown Eden and other key area market data (retail sales and leakage, area income, available properties, etc.).

Idea Box

- Purchase and analyze ESRI market data to identify market opportunities to share with existing and potential business owners.
Each March, the City purchases ESRI data that reveals the retail marketplace potential for business categories within one, three and ten miles of the city. This information is then used in recruitment efforts. This information can be shared with existing and potential business owners.

Strategy 2: Increase Economic Vitality: Mike Dougherty, Director of Economic Development

Mr. Mike Dougherty, Director of Economic Development submitted the following update information:

Goal 1: Focus on quality of place as the core economic development strategy.

Idea Box

- Identify initiatives to improve attractiveness of the city, gathering spaces, outdoor recreation and trails.
The City pursued and received grants for two additional trails that will be created during the current budget year. The Matrimony Creek Greenway and Freedom Park Trail Improvements and Camping Project will be completed by May of 2018. An additional quality of place initiative will include improving landscaping and maintenance of our City entrances and highways since these make an important first impression to outsiders.

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- Continue to support multi-cultural events and festivals.
The City initiated a highly successful Hispanic Heritage Festival in 2017 that will be repeated in 2018. Engaging the Hispanic community more extensively on the City's Tourism Board is being pursued. In addition, events that place an emphasis on the African-American community will be pursued as well.
- Encourage more outside dining opportunities.
An ordinance allowing sidewalk tables in the downtown areas will be pursued this fall and restaurant owners will be encouraged to include outdoor dining in their development plans.
- Encourage public art projects.
An Asheville artist recently visited Eden and is considering locations for an art school. He plans to draw other artists to Eden and create public art projects. We are doing everything possible to encourage this person to move to the downtown.
- Explore the feasibility of creating an event center.
Sweet Revenge Bakery will have a small center to accommodate birthday parties, wedding/baby showers, etc. by the fall of 2017. The Eden Ball Room can accommodate up to 185 people. If the Nantucket Mill project materializes, an event space will be included in the plans. Event centers are very expensive and usually require subsidies. We previously pursued the Monroe Street post office as a special event center and will continue to explore the possibilities of converting this space into one if there is an opportunity to do so.
- Promote a "Pride in Eden" campaign to encourage citizens to stop littering and to improve their properties and neighborhoods (Ex: Peter Hill Park).
This is a necessity and badly needed. We believe we will need to elicit community partners in this to create an effective campaign. The Planning and Inspections Department, Economic and Tourism Development Department, Facilities & Grounds Division and Police Department will work together on a campaign to begin in the fall of 2017.

Goal 2: Increase Eden's competitiveness in broader markets (region, state, nation, etc.)

Idea Box

- Continue working with county and regional partners on traditional economic development activities and initiatives.
This is being done on an on-going basis. Eden City officials were part of the March 2017 official ground breaking at the Berry Hill Mega Park. City staff speaks regularly with

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Dewberry Engineering of Danville and the Danville and Pittsylvania County economic development offices. We are eagerly awaiting the due diligence decisions by The Southern Company and Enviva as well as progress with other prospective clients.

- Enhance and develop additional business incentives, with prioritization on business startups and small, local, business.

The Development Incentive Grant has been approved and the Building Rehabilitation Grant will be considered by the City Council on August 15. The City is working with state partners on building reuse grants and micro-enterprise loans from the NC Rural Center.

- Support Rockingham County Economic Development for industrial development and recruitment efforts.

The City of Eden and the Rockingham County Economic Development Department work closely on all projects stemming from the Economic Development Partnership of NC, industrial brokers and the NC Department of Commerce. In addition, we make joint calls on existing industry for retention efforts and to identify potential expansion opportunities.

- Aggressively work with partners to ensure that Eden has an educated and skilled workforce. *This may be the most challenging of initiatives in the coming years. The City initiated a transportation program to take Morehead High School students to RCC for welding and automated systems training as part of their school curriculum. The City is helping bring an apprenticeship program to the county. Contacts have been made with Senator Phil Berger to encourage the NC Community College system to provide reciprocal tuition for border county students. This would allow Rockingham County students to attend Danville Community College and vice versa. The City is exploring how to bring a mobile STEM bus from the Danville Institute of Advanced Technology to Rockingham County to help students become familiar with potential career pathways. Reset Rockingham is an effort to provide better career and technical education to county students of which the city is part. The City has encouraged RCC graduates to become mentors to Holmes Middle School and Morehead High School students so they can see how RCC is a path to prosperity without college debt.*

- Participate in local/regional efforts to expand broadband options.

The City will work with county partners on this much-needed initiative. It is unfortunate that the Rockingham County Business and Technology Center that previously spearheaded these efforts was dissolved.

Goal 3: Objectively weigh the opportunities or challenges of attracting industrial prospects to the City of Eden and its economic region.

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Idea Box

- Using the industry targeting data provided, build the internal “business case” for attraction and additionally provide valuable facts for external marketing efforts.

One of the challenges Eden, Rockingham County and the region face are the lack of class “A” buildings. Up to 80% of prospects want an existing building. After the MillerCoors site, Eden is basically out of buildings to market. The City is participating in a real estate subcommittee with county partners to encourage speculative shell building investment by Triad area developers. Moreover, the City will work with other state partners in pushing House Bill 900 that approved a special sales tax to be used for economic development efforts. Texas employs such a tax and some communities, smaller than Eden, have annual economic development budgets in excess of \$900,000. A ¼ cent sales tax in Rockingham County would generate more than \$1.6 million. This would cover the debt service for multiple shell buildings during the time it requires to lease them.

Goal 4: Become an active partner to promote and support the performance of Rockingham County Schools and promote/support Rockingham Community College.

Idea Box

- Identify ways to promote Rockingham County School’s three strategic focus areas: 1. Graduation and beyond, 2. Safe, resources, supported and equipped schools, and 3. Stakeholder involvement and engagement.

The City, Rockingham County Schools and Rockingham Community College will partner to promote these strategic areas. It has to be a group effort that does not end at the schoolhouse steps. This community needs to value education and realize that successful education does not necessarily mean a four-year college degree. A recent statistic revealed that only 30% of jobs require a college degree.

- Link promotional materials (videos, anecdotes, success stories) and relevant materials to supplement Eden’s Economic Development web presence and promotional materials, including up-to-date data about school performance and initiatives.

This will be one of the projects undertaken by the Main Street Manager.

- Through joint marketing efforts, connect Eden’s Community Vitality/Quality of place initiatives to Rockingham County School’s teacher recruitment efforts (e.g. housing, things to do, events, etc.).

This really should be a school administration project, but the City will assist in these efforts.

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- Add a section about schools/school performance to Eden’s Citizen Academy curriculum.
This could be added quite easily, provided a representative of the Rockingham County School District is willing to participate in the Academy.
- Work with the local community college and Rockingham County Schools to promote higher education and vocational training, especially our community college. Only 20% of county high school students enter RCC, a number that must increase if citizens are going to qualify for higher paying, skilled occupations. RCC needs to be considered the best, first option for higher education, not a fallback position.
As noted above, the City is encouraging RCC graduates to act as mentors to middle and high school students. More than 10 million skilled trade jobs will be available in the U.S. within five years because those tradesmen are retiring. Students must know that RCC can provide training to allow them to remain in this area and make a good living. Plumbers, electricians and HVAC technicians can often start their own businesses and are in high demand at all times.
- Appoint an elected official as a liaison to the Rockingham County School System.
This will be pursued in the fall of 2017.

Goal 5: Continue to make progress on major infrastructure projects.

Idea Box

- Continue to move forward with improving the City’s water extension to the Berry Hill Mega Park and correcting the sewer system per the EPA Administrative Order.
The City is working diligently on these projects. Funding has been secured for the EPA Administrative Order and additional grant funding sources are being sought for the water extension to the Berry Hill Mega Park.
- Continue to aggressively recruit a high-water user for the MillerCoors site.
Since June of 2017, the MillerCoors facility has been submitted for eight projects and the City is currently working with a Charlotte, NC industrial broker on a particular client.
- Continue to advocate for high-profile transportation projects through NCDOT’s SPOT process to improve access into and out of Eden, with a high priority on access to the Berry Hill Industrial Park/pursue transportation funding designed to four lane Route 14 from Eden to US 220 and offer support for transportation improvements in Virginia as it relates to the Berry Hill Mega Park.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

VDOT (Virginia Department of Transportation) has agreed to Berry Hill Road improvements and the NCDOT (NC Department of Transportation) will be contacted about similar improvements on the NC side of the road. The Highway 14/King's Highway intersection has been approved and funded for improvements in 2021. The Hwy 14 four-lane project will be pursued with NCDOT Division Engineer Mike Mills. In addition, staff is working with the City of Reidsville to try and get I785 designation as far north as the NC 14/29 interchange in order for both cities to have connections with I785.

Goal 6: Continue to improve Eden's road and transportation infrastructure by implementing Eden's repaving and road maintenance schedule.

Idea Box

- Remain aware on NCDOT's paving schedule and coordinate Eden's repaving projects when appropriate.

These are handled by the City of Eden Engineering Department.

- Continued support and possible expansion of SKAT Bus.

The City has asked the Aging Disability and Transit System (ADTS) to expand operating hours so local workers can use the system for work. The system started in Eden and because of its local success was expanded to other areas of the county. The City will encourage the ADTS to expand where needed.

- Provide the required funding to maintain City roads, water and sewer systems, city properties and other infrastructure.

The City of Eden has been quite diligent in addressing water and sewer system problems that were neglected in the 1980's and 1990's, spending more than \$56 million on improvements. This continues to be a top priority with the EPA Administrative Order and the water extension for the Berry Hill Mega Park. An additional \$1.1 million has been allocated for street resurfacing needs during the upcoming year.

- Promote walkability through the maintenance and construction of additional sidewalk networks.

The City will consider all opportunities to fund such projects.

- Investigate the creation of bike paths/lanes.

The City will seek grant assistance in January of 2018 for bike lanes where possible.

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Goal 7: Enhance the public realm by identifying and implementing small win projects (e.g. plantings, street furniture, pedestrian/bicyclist, parks improvements).

Idea Box

- Develop a public arts plan and aim for 1 public art project annually.
This will be a priority going forward.
- Seek out and apply for small grants, such as NC Forest Service Urban Forestry Grant.
An Urban Forestry Grant will be pursued for a selected property on Fieldcrest Road to create a pocket park. This grant is due in January of 2018.
- Incorporate quality of place projects (e.g. bicycle lanes, pedestrian crossings, streetscape improvements) with new infrastructure and maintenance projects (e.g. road resurfacing).
This will be a priority going forward.

Goal 8: Promote commercial areas as small business job centers.

Idea Box

- Identify, approach, and recruit retail and restaurant franchises appropriate for Eden.
Retail and restaurant recruitment is an on-going process. Eden has had a more difficult time with recruitment since the MillerCoors closing, but efforts continue. The new Lidl supermarket is the only one in Rockingham County. In the last year, four restaurant chains have been approached and shopping center owners work with the city to attract new businesses. One is definitely coming to Eden and another is still considering potential sites. One Eden restauranteur was matched with a potential buyer, but the terms were not reasonable for the buyer. The Eden Economic Development Department paired the Eden Ball Room operators with the facility owner for an Eden special events center.
- Cultivate through incentives, technical support, training, and promotions a broad range of independent/small business.
A SCORE chapter will be started in Eden and entrepreneurship support will be a top priority in the future. The City already assists small businesses in many ways.
- Develop promotional materials and an outreach strategy to share the business case for supporting small business (buy local) and the business case for building rehabilitation.
A Doing Business in Downtown brochure will be updated to include the building rehabilitation grant.

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- Cross train key City departments to instill the value of small business/entrepreneurial support (e.g. permitting, police, streets).
The City permitting process is one of the easiest in the state. The Eden Police Department is very supportive of Eden businesses. The Street Department works to maintain streets, especially before and after special events.
- Form better links and increased involvement between the City's big events and local businesses.
RiverFest is one of the best opportunities for merchants to take advantage of an influx of people into the city. Some do and some do not. The City cannot force people to remain open or be inviting to out of town potential customers. The Main Street Manager will work to establish more business-oriented events.
- Act as a connector to link local small businesses to the City's (and region's) big businesses.
Tri-City Glass is an example of how the City paired this local firm with Sheetz when the Eden store was being built. The result was the local Sheetz was supplied with Tri-City Glass and a relationship was built between both companies that helped Tri-City survive through the Great Recession. All such opportunities are explored.
- Host regular business owner round tables to generate ideas and respond to concerns.
This will be a priority in the future.
- Determine and meet the needs of existing businesses for retention and expansion.
The City has always done this and will continue to do so.
- Promote Eden as an entrepreneurial and business-friendly environment.
Eden has always been a business-friendly community. Our Planning and Inspections processes are timely and sensitive to business needs. In addition, Eden is exploring the Certified Entrepreneurial Community status via Creative Economic Development, Inc.

Goal 9: Foster and support a local community of developers.

Idea Box

- Connect skilled labor/trade training programs to local development projects.
This is more of a Planning and Inspections Department responsibility, but the Economic Development & Tourism Department will work closely with them on these priorities.

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Strategy 3 – Neighborhoods & Housing (Kelly Stultz – Director of Planning & Inspections)

Ms. Kelly Stultz, Director of Planning & Inspections submitted the following update information:

Goal 1: Develop coordinated neighborhood (e.g. Leaksville, Spray, Draper) brands.

Idea Box

- In coordination with Eden’s overall branding effort, involve neighborhood to develop complementary identities.

Matrimony Creek Greenway: Our work on the Matrimony Creek Greenway is bringing public spaces to existing residential neighborhoods that have been under served with public recreation space. The greenway is to be located in or near several mid-twentieth century residential subdivisions, Douglass School and several churches. Hampton Heights and St. Johns are very involved with the project. Greenways play a significant role in the health of our citizens as well as their quality of life.

Downtown Projects: The Planning and Inspections Department is currently involved in projects aimed at two our traditional downtown areas. We are preparing to renovate a building owned by the City and create improved parking conditions and availability on public spaces. The more quality parking we make available that is safe, the more support of our local businesses.

Place Making: Place making that focuses on the niche of various areas, makes public spaces come. We are working toward connecting with public parking and a gathering space for the Draper traditional downtown area. Overtures to one property owner have not yet been successful and we are in the process of studying another site.

Ordinance Changes: Currently we are working on sign regulations with the idea in mind to make them reflect our community standard while allowing legitimate advertising and area acknowledgement.

Historic Identification: The potential for overlay zoning districts/historic districts for our various historic neighborhoods would preserve the identity and promote appropriate infill development.

Goal 2: Restore housing market demand in residential areas close to Downtown Eden and other neighborhoods (historic Spray and Draper).

Idea Box

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- Aggressively use available code enforcement tools to improve neighborhood appearance. *Our ongoing efforts with local code enforcement are a part of both our current and long range planning program. A big part of that effort involves collections. The letters sent out under the signature of the City Attorney and subsequent collections activities are a part of our strategy toward the goals of the plan. In addition, staff plans to bring 6-8 cases to the City Council to authorize demolition in September and October.*

Strategy 4: Integrate Recreation & Health: Johnny Farmer, Director of Parks & Recreation

Mr. Johnny Farmer, Director of Parks & Recreation submitted the following update information:

Goal 1: Rely on the 2017 Parks and Recreation Master Plan to guide recreation and greenways investments.

Idea Box

- Give higher priority to Parks and Recreation Master Plan items that have a greater impact on economic vitality (e.g. community members prioritized Freedom Park improvements). *The Director of Parks and Recreation and City Manager visited Splash Pads and Dog Parks in neighboring communities on August 10 and are working to determine how the City can make these types of facilities available at Freedom Park.*
- Implement recommendations of the Park and Recreation Master Plan. Studies have shown that recreational amenities make a real difference. *As indicated above, City Staff has visited and will continue to visit other communities to see various facilities firsthand and how the various recreation facilities that were mentioned in the Parks & Recreation Master Plan are affecting these areas, and then to determine if they can be developed in the City of Eden.*
- Pursue recreational offerings that will be attractive to all age groups. *The Parks and Recreation Department offers a wide variety of programs, services, and facilities to the citizens of Eden on a regular basis. The Department will continue to explore and offer new programming that is desired and will be looking into improving existing facilities and developing new facilities as recommended in the Parks and Recreation Master Plan.*

Goal 2: Expand and enhance trails, greenways, and parks both as a health promotion and quality of place strategy.

Idea Box

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- Pursue activities and gathering spaces on the Smith and Dan Rivers that will enhance Eden's image as an ideal location for outdoor recreational activities.
Eden currently has the Island Ford Landing and Smith River Greenway along the Smith River as well as the Leaksville Landing and Draper Landing along the Dan River. Staff will continue to make improvements to these areas and will look into additional areas along these rivers that might be able to have public access.
- Promote the ongoing park activities within Freedom Park so people are aware of the popularity of this Eden facility and encourage more usage of its amenities.
Staff promotes Freedom Park on a consistent basis throughout the year. There are seasonal sports leagues, such as youth baseball, youth softball, youth football, adult softball, and adult flag football that are held at the Park each year. The City also scheduled 41 Weekend Tournaments, the Dixie Youth Baseball State Tournament, 6 Concerts in the Park, and 3 Special Events from February 2017 – December 2017. Staff will work diligently to keep doing this and add additional events that will attract the citizens and visitors to Freedom Park. There are also daily visits to the Park by the citizens and others, that enjoy the walking track, picnic shelters, skate park, nature trail, sand volleyball court, horse shoe pits, and outdoor basketball courts.
- Support the Eden Trails Group that has just been established.
Parks and Recreation Staff will be attending the Eden Trail Group meeting and will assist them in their efforts to upgrade existing trails and develop new trails.
- Continue seeking funds for trails.
Parks and Recreation Staff will continue to apply for grants to help upgrade and develop new trails within the City. A grant has been secured to upgrade the nature trail at Freedom Park, and this work will be completed by the Spring of 2018. The City has also received a grant to assist in the development of the Matrimony Creek Greenway Trail that is being designed at this time.

Goal 3: Tap in to Eden and Rockingham County's existing health networks to implement strategies identified in the Health Impact Assessment.

Idea Box

- Create a City Healthy Living Initiative to promote greenways, parks and sidewalks.
City staff will continue to work with the Eden Chamber Commerce, Morehead Hospital, and local businesses in implementing the Get Fit Eden program that has been successful for many years

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- Explore partnerships with Rockingham County, Morehead Hospital, and other organizations; and encourage and support the recruitment and retention of high quality healthcare professionals for local medical services.
City staff will meet and have discussions with the staff at Morehead Hospital, Rockingham County Health Department, and the Rockingham County Healthcare Alliance to see how Eden can partner with them in helping with the recruitment and retention of high quality healthcare professionals.
- Encourage and support the efforts of local medical facilities to improve the quality of medical services available.
City staff will meet with Morehead Hospital and initiate discussions on how the City can help to improve the quality of medical services they provide.
- Support a local farm-to-table food program (networking local growers with local restaurants, grocery stores and citizens).
City staff will meet with Cindy Adams, Coordinator for Tourism and Special Projects/Events and discuss this item because she intended to host an event similar to this recently but had to cancel due to the low number of reservations received. Perhaps a program can be developed that would allow local growers, local restaurants, grocery stores and citizens to work together on a regular basis.

Strategy 5: Engage Citizens: Cindy Adams, Coordinator for Tourism & Special Projects/Events

Ms. Cindy Adams, Coordinator for Tourism & Special Projects/Events submitted the following update information:

Goal 1: Create opportunities for everyone to participate.

Idea Box

- Identify 1-2 community placemaking projects annually to build an active citizen base.
City staff is in the process of discussing possible projects for consideration.

Goal 2: Continue to encourage youth and young adult involvement.

Idea Box

- Enlist the Youth Advisory Council and Young Adult members to participate in placemaking projects.
The Youth Council will be taking a lead role in manning the City's 50th Anniversary booth at RiverFest. We plan to do some customer service training with the group before

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the event.

Goal 3: Develop and promote an Eden brand.

Idea Box

- Publicize in regional/state media.
We currently place ads in Our State Magazine and recently had our events listed in the AAA Magazine. We also place ads in the Destination Magazine that covers a wide area all the way to Charlotte.

Goal 4: Share information effectively and regularly with personal contact, using tools added with Eden's 2016 website, and traditional methods.

Idea Box

- Cross post information and ask other organizations to do the same (e.g. schools post City events, City posts school events) and share communication networks.

City staff is scheduling a meeting with Mable Scott of Rockingham County, Robin Yount of Rockingham County TDA and Karen Hyler of Rockingham County Schools to discuss how we can most effectively share information.

- Pursue innovative ways to communicate Eden initiatives to more effectively disseminate information. An example includes the installation of an electronic messaging sign at the corner of Stadium Drive and Pierce Street.
The LED Sign is well underway and should be completed by the end of the month. We are also exploring Text Message Marketing. This could be a very effective way to reach a large number of citizens and make them aware of meetings, festivals and other important information. National statistics for texts: 87% of all text messages are read within 90 seconds! This is a powerful tool to stay connected. We would have unlimited key words and unlimited texts. We are also working with Karismatic Marketing to learn new and innovative ways to reach our citizens through social media: Instagram, Pinterest, etc. We have a great following already on Facebook with over 6200 followers.

We currently utilize the following:

Monthly e-newsletter

Monthly Eden City Hall Page in Eden's Own Journal

2 Websites

2 Facebook Pages

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*Banners for Events on Highway 14 and Kings Highway
Advertise via TV, Radio, Print, Community Calendars, Posters, etc.
Manager’s Report at Monthly City Council Meetings that is also on website and
printed in Eden’s Own Journal*

- Focus on building Eden’s image telling Eden’s story and further defining its sense of place. *We are working with the Eden Historical Museum to create 50th Anniversary windows that will be unveiled a week before RiverFest. They will have lots of Eden information displayed. There will also be a TV showing lots of great photos, articles, etc. This certainly is a great way to begin telling our story.*

CONSENT AGENDA:

- a. Approval and Adoption of Minutes: July 18, 2017.
- b. Approval and Adoption of Capital Project Ordinance – Meadow Greens Covenant Branch Pump Station Force Main Relief Project.

Capital Project Ordinance

Be it ORDAINED by the Governing Board of the City of Eden, North Carolina, that pursuant to section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital Project Ordinance is hereby adopted.

Section 1: The Project, Meadow Greens and Covenant Branch Pump Stations Force Main Relief, authorized is the to be financed by state grants and reserves (State High-Unit Cost grant, HUC). The HUC grant is \$534,811 and the City will provide a match of \$29,052.97 for a total of \$563,863.97.

Section 2: The officers of this unit are hereby directed to proceed with the capital project within the terms of the board resolution, loan documents and the budget contained herein.

Section 3: The following amounts are appropriated for the project:

Engineering	\$ 175,200.00
Construction	\$ 362,220.00
Contingency	\$ 18,111.00
Closing Costs	\$ <u>8,332.97</u>
	\$ <u>563,863.97</u>

Section 4: The following revenues are anticipated to be available to complete this project:

State High-Unit Cost Grant	\$ 534,811.00
City Match from local funds	\$ <u>29,052.97</u>
	\$ <u>563,863.97</u>

Section 5: The finance officer is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the bond resolution also shall be met.

Minutes of the regular August 15, 2017 meeting of the City Council, City of Eden:

Section 6: Funds may be advanced from the Water/Sewer Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7: The finance officer is directed to report, on a quarterly basis, on the financial status of each project element in section 3 and on the total grant/loan revenues received or claimed.

Section 8: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this board.

Section 9: Copies of this capital project ordinance shall be furnished to the clerk to the Governing Board, and to the Budget Officer and the Finance officer for direction in carrying out this project.

Duly adopted this 15th day of August 2017.

Wayne R. Tuggle, Mayor

(Seal)

Attest: Sheralene Thompson, City Clerk

c. Consideration of Recommendation to Accept Bid on 416 Decatur Street.

The City has received a bid on the 1.1 acre lot located at 416 Decatur Street in the amount of \$1,500.00 from Aris Rosario. The tax value of the property is \$16,720.00. The advertisement for bids ran in the Rockingham Now on July 9 and July 12, 2017. No upset bids were received. There are not any unpaid property taxes due on this property. In my opinion, our best outcome is to sell the property and encourage the owner to build single family dwellings on the property. Based upon the foregoing information and the fact that we continue to have to mow and maintain the property, I recommend that the City Council accept the bid.

CLOSED SESSION:

Closed Session in accordance with GS 143-318.11 (a)(5): To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease.

A motion was made by Council Member Ellis seconded by Council Member Hall to go into closed session in accordance with GS 143-318.11 (a)(5): To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. All Council Members voted in favor of this motion.

August 15, 2017

City of Eden, N.C.

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OPEN SESSION:

A motion was made by Council Member Ellis seconded by Council Member Hall to return to Open Session. All Council Members voted in favor of this motion.

ADJOURNMENT:

A motion was made by unanimous consent to adjourn.

Respectfully submitted,

Sheralene S. Thompson,
CMC, MMC, NCCMC
City Clerk

ATTEST:

Wayne R. Tuggle, Sr., Mayor



MEMORANDUM

To: Honorable Mayor and City Council
Thru: Brad Corcoran, City Manager
From: Amy P. Winn, Assistant Director of Finance
Date: September 19, 2017
Subject: Police Vehicles - Financing for 5 years

In the 2017-2018 Budget, City Council approved to purchase (8) Police Vehicles for the Police department and it has been set up in the budget to be financed. On August 23, 2017, I requested bids from our local banks for the financing and received the following quotes:

BB&T	2.04%
Carter Bank & Trust	2.70%

The lowest quote is from BB&T at 2.04%. The first payment will not be due until next fiscal year (2018-2019) and the annual payments will be \$66,780.06 for five years. I respectfully ask that Council approve BB&T as the successful bid.

If you have any additional questions, please do not hesitate to ask.



5130 Parkway Plaza Blvd.
Charlotte, North Carolina 28217
Office: (704) 954-1700
Fax: (704) 954-1799

August 31, 2017

Amy P. Winn, CPA
Assistant Director of Finance
City of Eden
Post Office Box 70
Eden, North Carolina 27289

Dear Ms. Winn:

Branch Banking and Trust Company (“BB&T”) is pleased to offer this proposal for the financing of 8 new 2017 Ford Police Interceptor Explorers, as requested by the City of Eden, North Carolina (the “City”).

- (1) **Project:** Vehicles
- (2) **Amount to Be Financed:** \$314,400.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
5 years	2.04%

Payments shall be annually in arrears, or as requested. See the attached amortization schedule for information on payments.

If needed, the financing proceeds may be deposited on behalf of the City in a project fund account as needed with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the City for use on Project costs or interest payments.

The interest rate stated above is valid for a closing not later than October 16, 2017. A convenient date and time shall be mutually agreed upon for closing. Closing is contingent upon completing documentation acceptable to BB&T and upon the condition of the equipment acceptable to BB&T. BB&T shall provide a list of required documentation for closing should we be the successful proposer.

There will be no fee for remuneration for the underwriting or origination. All applicable taxes, permits, costs of counsel for the City and any other costs shall be the City’s responsibility and separately payable by the City. The financing documents shall allow prepayment of the principal balance in whole on any date without a prepayment premium.

The stated interest rate assumes that the City expects to borrow less than \$10,000,000 in calendar year 2017 and that the City shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

(4) Financing Documents:

BB&T and its counsel shall prepare all documentation for the City. We shall provide a sample of those documents to you should BB&T be the successful proposer. This financing shall be secured by a first lien security interest in all personal property acquired with proceeds.

* * * * *

BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

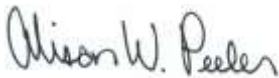
BB&T shall have the right to cancel this offer by notifying the City of its election to do so (whether or not this offer has previously been accepted by the City) if at any time prior to the closing there is a material adverse change in the City's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the City or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to BB&T. If your board adopts this resolution, then BB&T shall not require any further board action prior to closing the transaction.

Please call me at (336) 376-0254 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Alison W. Peeler
Senior Vice President

Enclosure

Resolution Approving Financing Terms

WHEREAS: The City of Eden, North Carolina (the "City") has previously determined to undertake a project for the financing police vehicles, (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The City hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated August 31, 2017. The amount financed shall not exceed \$314,400.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.04%, and the financing term shall not exceed five (5) years.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the City are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by City officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The City intends that the adoption of this resolution will be a declaration of the City's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The City intends that funds that have been advanced, or that may be advanced, from the City's general fund, or any other City fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of City officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2017.

By: _____
Title: _____

By: _____
Title: _____

SEAL

Eden, NC						
Compound Period:		Annual				
Nominal Annual Rate:		2.040%				
CASH FLOW DATA						
	Event	Date	Amount	Number	Period	End Date
	1 Loan	8/31/2017	314,400.00	1		
	2 Payment	8/31/2018	66,780.06	5	Annual	8/31/2022
AMORTIZATION SCHEDULE - Normal Amortization						
	Date	Payment	Interest	Principal	Balance	
	Loan 8/31/2017				314,400.00	
	2018 Totals	0.00	0.00	0.00		
	1 8/31/2018	66,780.06	6,413.76	60,366.30	254,033.70	
	2019 Totals	66,780.06	6,413.76	60,366.30		
	2 8/31/2019	66,780.06	5,182.29	61,597.77	192,435.93	
	2020 Totals	66,780.06	5,182.29	61,597.77		
	3 8/31/2020	66,780.06	3,925.69	62,854.37	129,581.56	
	2021 Totals	66,780.06	3,925.69	62,854.37		
	4 8/31/2021	66,780.06	2,643.46	64,136.60	65,444.96	
	2022 Totals	66,780.06	2,643.46	64,136.60		
	5 8/31/2022	66,780.06	1,335.10	65,444.96	0.00	
	2023 Totals	66,780.06	1,335.10	65,444.96		
	Grand Totals	333,900.30	19,500.30	314,400.00		

CITY OF EDEN – MEMORANDUM

To: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THRU: BRAD CORCORAN, CITY MANAGER

FROM: TERRY SHELTON, PUBLIC UTILITIES DIRECTOR

DATE: SEPTEMBER 7, 2017

SUBJECT: REQUEST FOR CITY COUNCIL TO PURCHASE LAND ADJACENT TO THE MEBANE BRIDGE WASTEWATER TREATMENT PLANT

The Staff recommends that the City Council purchase 7.6 acres commercial property located adjacent to the Mebane Bridge Wastewater Treatment Plant from KEM, LLC. The following are reasons to make this purchase.

- 1) The additional buffer between other properties and the Wastewater Treatment Plant. This buffer area would allow for planting a screen of evergreen trees that can help with odor control by breaking up prevailing northeast winds. The area currently has significant deciduous trees growing on it that can also help with maintaining a buffer area. As the industries have left Eden over the last decade, our wastewater plant has become more of a domestic sewage plant, thus the potential for undesirable odors is greater. This additional buffer will provide an opportunity to better manage odors before they leave City property.
- 2) This additional acreage that can or could be used for building additional structures for the residual solids handling area for the Wastewater Treatment Plant, if needed in the future.
- 3) This property may serve as a Canoe Ramp access similar to Leaksville Landing, if Parks and Recreation decided to develop this potential site on the river. This location would make a 30 to 60-minute trip within the City Limits available for canoers, kayakers or floaters who don't want a half or full day trip. It would also provide an exit point out of the river just upstream of the Duke Energy Dam near Highway 14.
- 4) This land purchase would also provide for a potential future Greenway Easement passage under the Hwy 14 Bridge to possibly follow a sewer force main easement route to Edgewood Road and on to Freedom Park, if Parks and Recreation/Planning and the Council elects to develop a Greenway path in this area.

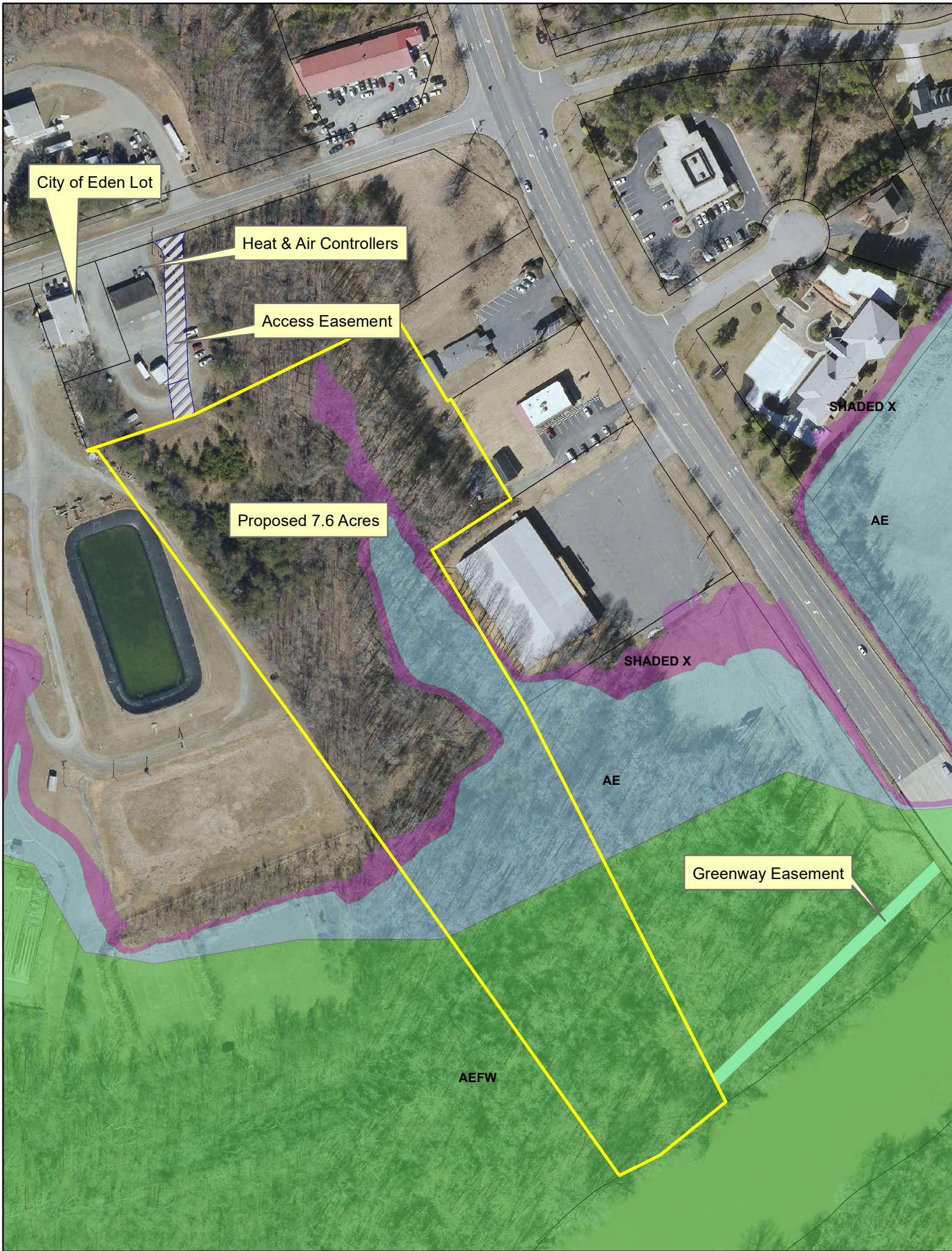
The following constitutes the offer that the City has to purchase this property.

\$31,143 Cash

\$ 7,657 (in kind services) Our cost to provide the requested 3 water taps for the three commercial lots KEM, LLC will have remaining after the City's purchase, if approved. This will include the cost of the water line extension across the Roll About property to the lot fronting Hwy 14 and the River. KEM already has 4 sewer taps available to serve these 3 lots. The 3 water taps and the extension of the water line to the lower lot are our cost for labor and materials to install them. KEM has requested that water taps and the water line extension be completed prior to December 31, 2017.

\$38,800 purchase price with cash and in kind services

\$42,600 Appraised Value



City of Eden Lot

Heat & Air Controllers

Access Easement

Proposed 7.6 Acres

SHADED X

AE

SHADED X

AE

Greenway Easement

AEFW



Economic Development Department

September 12, 2017

To: Honorable Mayor and City Council

Thru: Brad Corcoran, City Manager

From: Mike Dougherty, Director of Economic Development

Re: City Council Resolution

The attached resolution is requested to be included on the consent agenda for the September 19, 2017 Eden City Council meeting. This resolution supports a grant we are seeking from the NC Rural Infrastructure Authority to upgrade the New Street sewer line. This is needed for the additional employees located in the former New Street. MGM facility. Gildan Activewear has leased this entire building for a secondary distribution center.

If you have any questions, please contact me.



CITY COUNCIL RESOLUTION

WHEREAS, a grant from the Department of Commerce through the City of Eden will be pursued to assist the New Street infrastructure project; and

WHEREAS, The City of Eden will administer this grant in accordance with the rules and regulations of the Department of Commerce; and

WHEREAS, the City of Eden will administer this grant through the City Finance Office; and

WHEREAS the grant will be monitored quarterly to assure compliance with this proposal and the Department of Commerce regulations; and

WHEREAS the amount of the grant application will be \$1 million; and

NOW, THEREFORE, BE IT RESOLVED, that the Eden City Council does support this project to improve our infrastructure to improve economic development efforts in the City of Eden.

Adopted this the 19th day of September, 2017.

Wayne R. Tuggle Sr.
Mayor

(SEAL)

ATTEST:

Sheralene Thompson, City Clerk



RESOLUTION BY THE CITY COUNCIL OF THE CITY OF EDEN

WHERE AS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and planning of improvements of wastewater and drinking water systems, and

WHERE AS, The City of Eden has need for and intends to complete various wastewater system improvement projects in order to comply with US EPA Administrative Order on Consent CWA-04-2017-4753 (Wastewater Collection and Transmission System Rehabilitation). These projects are collectively identified by the following groups: RD Inflow/Infiltration Reduction; Pump Station Rehabilitation/Replacement; pipe Replacement/Rehabilitation; and, WWTP Facility Improvements, and,

WHERE AS, The City of Eden intends to request state grant/loan assistance for the project

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE CITY OF EDEN:

That City of Eden, the Applicant, will arrange financing for all remaining costs of the projects including required matching funds, if approved for a State grant award.

That the Applicant will adopt and place into effect on or before completion of the projects a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the Applicant will provide for efficient operation and maintenance of the projects on completion of construction thereof.

That S. Brad Corcoran, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a grant/loan to aid in the completion of the construction projects described above.

That the Wayne R. Tuggle, Sr., Mayor, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the projects; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

Wayne R. Tuggle, Sr.
Mayor

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Eden does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the City Council of the City of Eden duly held on the _____ day of _____ 2017 and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ 2017.

Sheralene S. Thompson

Town Clerk



Resolution of Governing Body of the City of Eden September 19, 2017

WHEREAS, The Federal Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water system improvements, and

WHEREAS, The City of Eden has need for and intends to construct a drinking water system project (Water Line Extension Out of Town) described as approximately 2.8 miles of 30" waterline to be installed from near the City limits to the Virginia state line. This expansion of the City of Eden water distribution system will provide access to two industrial customers locating in the Berry Hill Regional Mega Park as well as convey necessary water for future industrial growth both in the Mega Park and Rockingham County. The proposed waterline will provide an interconnection with the City of Danville and enter into a contract service agreement Pittsylvania County Service Authority (PCSA) to insure redundancy and resiliency for the transmission/distribution system of the City, and,

WHEREAS, The City of Eden intends to request state loan assistance for the project.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EDEN:

That the City of Eden, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Eden to make scheduled repayment of the loan, to withhold from the City of Eden any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That S. Brad Corcoran, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan to aid in the construction of the project described above.

That the Wayne R. Tuggle, Sr. Mayor and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Wayne R. Tuggle, Sr.
Mayor

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Eden does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the City Council of the City of Eden duly held on the 19 day of September, 2017 and further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2017

Sheralene S. Thompson

Town Clerk



Resolution of Governing Body of the City of Eden September 19, 2017

WHEREAS, The Federal Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of drinking water system improvements, and

WHEREAS, The City of Eden has need for and intends to construct a drinking water system project (Water Extension In Town) described as approximately 4 miles of 24" waterline to be installed from the Freedom Tank to near the City limits. This expanded infrastructure project will then increase to a 30" line for approximately 5,300 LF replacing two existing 12" lines. The installation of this waterline will improve reliability and provide redundancy of water distribution in the western residential areas of the city, as well as convey necessary water for industrial growth. The proposed waterline will be looped back into the city to enhance the operation of the existing system and,

WHEREAS, The City of Eden intends to request state loan assistance for the project.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EDEN:

That the City of Eden, the Applicant, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Applicant will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Applicant agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Eden to make scheduled repayment of the loan, to withhold from the City of Eden any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the Applicant will provide for efficient operation and maintenance of the project on completion of construction thereof.

That S. Brad Corcoran, City Manager, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the Applicant with the State of North Carolina for a loan to aid in the construction of the project described above.

That the Wayne R. Tuggle, Sr. Mayor and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Applicant has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this 19th day of September, 2017 at the City of Eden, North Carolina.

Wayne R. Tuggle, Sr.
Mayor

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting City Clerk of the City of Eden does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the City Council of the City of Eden duly held on the _____ day of _____ 2017 and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ 2017.

Sheralene S. Thompson

Town Clerk