

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

**WHEREAS**, the Town of Indian Trail, North Carolina desires to enter into a contract to purchase property for the development of a Community Park (the Project) to better serve the citizens of Indian Trail; and

**WHEREAS**, the Town of Indian Trail, North Carolina 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**, finding 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 Town Council of the Town of Indian Trail, North Carolina, meeting in regular session on the 9<sup>th</sup> day of November, 2010, make the following findings of fact:

1. The proposed contract is necessary in order to purchase land for further development of a Community Park as requested by 85.1% of the Town's citizens in a previous survey.
2. The proposed contract is preferable to a bond issuance for the same purpose because:
  - a. The desired loan amount is not to exceed \$1,750,000 dollars. This amount is eligible under Section 265 of the Internal Revenue Code of 1986;
  - b. The ease of budgeting semi-annual payments;
  - c. Installment loan financing is much less expensive than a bond issuance. There is no need for a bond attorney and other bond issuance expenses.
3. The sums to fall due under the contract are adequate and not excessive for the proposed purpose. The Town currently only has one other installment loan debt.
4. The Town of Indian Trail debt management procedures and policies are good because the Town has managed and paid debt in the past in a sound manner and plans to continue this practice. The Town believes this loan will assist the Town in maintaining an adequate fund balance.
5. The Town is not currently requesting a tax increase for the proposed contract. However, the Town will need to appropriate funds annually during the budgeting process sufficient for the repayment of the loan.
6. The Town of Indian Trail is not in default in any of its debt service obligations.
7. The attorney of the Town of Indian Trail has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Town Manager is hereby authorized to act on behalf of the Town of Indian Trail in filing an application with the North Carolina Local Government Commission for approval of the purchase and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 9<sup>th</sup> day of November, 2010.

The motion to adopt this resolution was made by Council member \_\_\_\_\_, and passed by a vote of \_\_\_\_\_ to \_\_\_\_\_.

BY: \_\_\_\_\_ BY: \_\_\_\_\_

(Clerk)

(Mayor)

Official Town Seal