

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Regular Meeting – May 9, 2017

- I. *CALL TO ORDER*** – Mayor E. ‘Rick’ Miller called the regular meeting of the Beech Mountain Town Council to order at 4:00 p.m., Tuesday, May 9, 2017 in the Town Hall Council Chambers located at 403 Beech Mountain Parkway Beech Mountain North Carolina 28604. Other Council Members present were Paul Piquet, Rick Owen, Wendel Sauer, and Renee Castiglione. A quorum was present. Town Attorney Stacy C. Eggers, IV. was present. Staff members present included Town Manager Tim Holloman, Town Clerk Jennifer Broderick, Finance Officer Steve Smith, Public Utilities Director Robert Heaton, Public Works Director Riley Hatch, Town Planner James Scott, Fire Chief Bob Pudney, Police Chief Shawn Freeman, Police Captain Tim Barnett, Parks and Recreation Director Sean Royall, Building Inspector John Merritt, and Tax Administrator Rebecca Ward. Chamber of Commerce Director Lauren Mills was also present.
- II. *Invocation*** – Dewey ‘Cyclone’ Brett presented the invocation.
- III. *Pledge of Allegiance*** – All present joined in the Pledge of Allegiance.
- IV. *Adoption of Agenda*** – Councilwoman Castiglione motioned to approve the agenda. Councilman Sauer seconded the motion, the vote carried unanimously.
- V. *Consent Agenda*** – Mayor Miller opened the floor for Council to take action on the consent agenda. Councilwoman Castiglione motioned to approve the consent agenda. Vice Mayor Piquet seconded the motion, the vote passed unanimously. The consent agenda was approved as follows with consent agenda item ‘e’ attached as Exhibit A, consent agenda item ‘f’ attached as Exhibit B, and consent agenda item ‘g’ attached as Exhibit C. Exhibits A thru C are incorporated by reference as if fully set out within these minutes.
- a. April 11, 2017 – Regular Meeting
 - b. April 11, 2017 – Closed Session
 - c. April 13, 2017 – Special Meeting
 - d. April 20, 2017 – Special Meeting
 - e. Tax Release
 - f. Request to Advertise Delinquent Taxes
 - g. Proclamation: Arbor Day

VI. Public Comment

Chamber of Commerce Update – Lauren Mills, Director of the Chamber of Commerce informed Council and the public about community programs happening in the Town. The information included guided hikes, XTERRA trail rides, and the Beech Mountain Metric. The Beech Mountain Resort was opening and offering summertime activities like Frisbie disk golf and rides up the slopes. There was a free Americans with Disability Act Compliancy Workshop for the lodging and hospitality industry also being offered. Ms. Mills reported that the Town's Litter Sweep had been a success with a total of 13 volunteers collecting 30 bags of debris covering approximately 16 miles. Council thanks Ms. Mills.

VII. New Business

- a. Proclamation Honoring Police Chief Shawn Freeman** – Mayor Miller stated that the Town's Police Chief Shawn Freeman is moving to the Town of Black Mountain and that to honor his service to the Beech Mountain community a proclamation had been created. Mayor Miller read aloud the Proclamation Honoring Police Chief Shawn Freeman. Police Chief Freeman received a round of applause from all present. Police Chief Freeman thanked Town Council and the Town Manager for stepping in and supporting the Police Department. Police Chief Freeman stated that he has never worked with a department that has cared about the community as much as this department does. Police Chief Freeman also thanked all of the citizens for their support of the department. Councilwoman Castiglione motioned to approve the Proclamation Honoring Police Chief Shawn Freeman. Vice Mayor Piquet seconded the motion, the vote carried unanimously. The Proclamation Honoring Police Chief Shawn Freeman is attached as Exhibit D and incorporated by reference as if fully set out within these minutes.
- b. 1314 Beech Mountain Parkway** – Ronald Tulino addressed Council concerning a \$900 utility bill. Mr. Tulino stated that he believed the excessive water use was due to a neighbor turning his meter on during the winter. Mayor Miller stated that Mr. Tulino has already received a reduction on his utility bill that reverted the sewer back to the monthly minimum \$35 rate and that staff is able to further reduce the water portion of the utility bill by 15%.
- c. Request for Public Hearing for Proposed Ordinance to Amend Town of Beech Mountain Billing Procedures in Chapter 51 'Water and Sewer Use'** – Public Utilities Director Robert Heaton stated that what Council had before them was a proposed amendment to the Town's

utility billing procedure to define the date for disconnection within the Town's ordinance. Mr. Heaton stated that ongoing billing and collection practices have been to read meters on the 15th of the month, with billing occurring the 1st of the month and due by the 10th of the month. The late charge assessment date is the 20th of the month. Mr. Heaton stated that this proposed language would add the disconnection date to the Town's ordinance that staff is already procedurally using. Vice Mayor Piquet motioned to approve the public hearing for the proposed ordinance to amend the billing procedures in Chapter 51 '*Water and Sewer Use*' for the next regular Council meeting. Councilwoman Castiglione seconded the motion, the vote carried unanimously.

d. *Tucker Administrators Insurance Presentation* – E. E. 'Gene' Tucker III, President and CEO Tucker Administrators, provided Council with a presentation of the proposed health plan for the 2017-2018 fiscal year alongside historical plan data. Mr. Tucker stated that the Town's max increase for the same plan would be 0.25% (1/4 of 1%). Currently the Town has a realized savings of \$96,000 for the plan year. Councilwoman Castiglione questioned the inequitable expense of health insurance benefits for Town employees who have been and are hired after the July 1, 2012 date. Mr. Tucker stated that when costs initially went up communities started to implement this grandfathering strategy to alleviate their liability. Councilwoman Castiglione questioned a 50% shared cost on extra lives that would permit a more equitable benefit.

e. *State Health Plan Discussion* – Manager Holloman stated that staff contacted approximately six municipalities that have transitioned to the State Health Plan. Currently state lines and nationwide coverage is not an issue for individuals participating on the plan. Manager Holloman stated that some changes were noted by municipalities about pharmacy drug costs and coverage. Manager Holloman stated that the State Health Plan became available in 2015 to a select number of participants. Councilwoman Castiglione asked if staff spoke with nearby municipalities. Manager Holloman stated that staff spoke with the Town of Blowing Rock and the Town of Seven Devils. Councilwoman Castiglione stated that a negative impact of the plan was that the employee had to pay 100% of the deductible. Mayor Miller asked if there were any further comments. Manager Holloman stated that if Council decides that they want to go in this plan direction than the Council would need to adopt two resolutions in the near future. Councilman Owen stated that it would be interesting to hear from Tucker Administrators why the Town should not change. Councilman Owen stated that he believes that there is a large deficit on the State Health Plan and that there was concerns about paying more for this product to assist with this

debt. Vice Mayor Piquet stated that his biggest issue was the loss of control and not being able to back out of the plan once the Town elected to participate. Councilwoman Castiglione questioned whether or not the municipalities would have enough of a voice to be heard by the state down the road. Mayor Miller recommended that Council prepare themselves for further discussion at Councils May 23, 2017 budget workshop scheduled for 10:00 am in the Council Chamber room.

- f. *Water Plant Replacement Project Update*** – Dale Schepers, Construction Administrator for West Consultants, provided a contract summary update for the Water Plant Replacement Project. Mr. Schepers stated that as of May 9, 2017 the Town is 569 days into the 555 contract days, representing 103% of work completion and 83.5% of the pay requests at pay request number 20. Mr. Schepers reported to Council that based on the current schedule, substantial completion is anticipated July 12, 2017, which is 105 days beyond the contract deadline of March 29, 2017. The metal building has 85% of the panels on it and about 1/3 of the roof on the building. The glass for the windows has not arrived yet. The next construction progress meeting is scheduled for May 11, 2017 at 10:30 a.m. at Buckeye Recreation Center. Mayor Miller asked what Council Members were planning on being at the upcoming Water Plant Replacement Project meeting. A quorum would not be present. Councilman Sauer asked how quickly the Facility Services Subgroup would be able to go from the 63% to 100% completion. Mr. Schepers stated that this work would occur pretty quickly. The electrical contractor has been very diligent to understand where they can go and cannot go so that everything is in place. Councilman Sauer questioned the way the roof panels were being put on. Mr. Schepers stated that a resolution was in place and that a partial owner of the company that supplied the roofing panels came up to assist with directions on how to assemble the roof panels.

- g. *Resolution No. 2017-04: 'Resolution of the Town of Beech Mountain, North Carolina providing for the Issuance of \$4,300,000 Water and Sewer Revenue Bonds of the Town of Beech Mountain'*** – Mayor Miller asked Attorney Eggers to provide input. Attorney Eggers stated that the paperwork appears to be in order and matches the original specifications the Town had authorized. Vice Mayor Piquet motioned to approve Resolution No. 2017-04: *'Resolution of the Town of Beech Mountain, North Carolina providing for the Issuance of \$4,300,000 Water and Sewer Revenue Bonds of the Town of Beech Mountain'*. Councilwoman Castiglione seconded the motion, the vote carried unanimously. Resolution No. 2017-04: *'Resolution of the Town of Beech Mountain, North Carolina Providing for the Issuance of \$4,300,000 Water*

and Sewer Revenue Bonds of the Town of Beech Mountain' is attached as Exhibit E and incorporated by reference as if fully set out within these minutes.

- h. *Spruce Hollow to Beech Mountain Parkway Project*** – Public Utilities Director Robert Heaton stated that M&M Construction of Banner Elk, Inc. started working on the Spruce Hollow to Beech Mountain Parkway project about three weeks ago. Currently they are working on Hornbeam Road. The Beech Mountain Parkway was completed last week. Mr. Heaton informed Council that at the end of installing the pipe this area will need to be dug back up for charging and testing. Mayor Miller questioned Mr. Heaton concerning the order of the patching and paving on the road. Public works Director stated that a type of binder appropriate for paving will be used to prepare the road surface.
- i. *Request to Consider Offer to Purchase: 355 Locust Ridge Road (Charter Hills C-534)*** – Mayor Miller stated that there was no counter offer during the upset bid process performed by staff. Attorney Eggers stated that Council could now consider final approval of the Offer to Purchase 355 Locust Ridge Road. Councilwoman Castiglione motioned to approve the Offer to Purchase 355 Locust Ridge Road and drafted Quitclaim Deed that included a Conservation Easement prepared by Attorney Eggers. Councilman Sauer seconded the motion, the vote carried unanimously. The Quitclaim Deed and Conservation Easement for 355 Locust Ridge Road is attached as Exhibit F and incorporated by reference as if fully set out within these minutes.

VIII. *Town Manager and Staff Reports*

Wood Storage Building Donation – Manager Holloman informed Council that Sharon Deal recently donated a wood storage building to the Town. Manager Holloman stated that the Town was very appreciate of the gift and that a letter thanking her for the donation has been sent.

Beech Mountain Litter Sweep – Manager Holloman thanked the Chamber of Commerce and the community for their good work on the Beech Mountain Litter Sweep.

Beech Mountain Metric – Manager Holloman reminded everyone that the Beech Mountain Metric is scheduled to hold their event Saturday, May 20, 2017 from 8:00 a.m. to 3:00 p.m. The ride raises money that is distributed to local nonprofits. This year's ride is anticipated to have approximately 300 riders.

Resort Towns and Convention Cities Legislative Breakfast – Manager Holloman stated the Resort Towns and Convention Cities Committee for the North Carolina League of Municipalities will be hosting a legislative breakfast on May 24, 2017 at 7:30 a.m. Mayor Miller, Councilwoman Castiglione, Manager Holloman, and Town Clerk Broderick will be attending this year's meeting.

Budget Meetings – Manager Holloman reminded all present that Town Council has scheduled two budget meetings; one for May 23, 2017 at 10:00 a.m. and the second for May 30, 2017 at 2:00 p.m. Both meetings will be held in the Council Chamber room at Town Hall.

Sister City – Manager Holloman informed Council that Kate Gavenus, Director of Tourism and Economic Development will be working with him to schedule future events with the Town's new Sister City Southport, North Carolina. Ideas about having department head conference calls and Councils visiting each community have been discussed.

Potential Financing Contract – Manager Holloman stated that the Town has an opportunity to put a financing contract in place for some larger equipment to include a new motor grader and swap loader. Manager Holloman informed Council that if they acted before the end of the current fiscal year the Town could lock in a lower interest rate. Council was in agreement.

Interim Police Chief Tim Barnett – Manager Holloman announced that Police Captain Tim Barnett has accepted and been sworn in to the position of Interim Police Chief.

Chapter 51 'Water and Sewer Use' – Manager Holloman proposed an additional change to the Town's Ordinance in Chapter 51 "Water and Sewer Use". Manager Holloman asked for Council's consideration to permit future billing issues be handled at the administrative staff level. Council was in favor of providing this type of authority to staff at the administrative level and staff to work on the language for such an amendment. Councilwoman Castiglione asked if these issues would still come before Council. Manager Holloman stated that issues could still be heard under public comment.

Streetscape Presentation – Manager Holloman informed Council that June 12, 2017 from 3:00 p.m. to 6:00 p.m. there was an event scheduled at Town Hall in the Council Chamber room for the public to receive information on the Town's Streetscape Project. It is a flowing presentation for the community to drop by and look at the project. Postcards for the event will be sent out

through the utility department. Councilman Sauer requested that extra business cards be placed around Town.

Town Planner – Manager Holloman informed Council that Town Planner James Scott's last day with the Town was scheduled for Friday, May 26, 2017. Mr. Scott was going to work in the private sector. The Arbor Day Festival was an opportunity for the community to say goodbye.

IX. Town Council Comments

Road Grading – Councilman Sauer noted that this years' road grading is behind last years' schedule. Public Works Director Riley Hatch stated that if it is too wet the work cannot be completed. Mr. Hatch stated that staff has been focusing on stabilization of the road and has completed a lot of the ditch work.

Wild Daisy Lane – Councilwoman Castiglione questioned the washboard effect on Wild Daisy Lane and whether there was a different way to grade the road to redirect the water. Public Works Director Riley Hatch stated that there was no better solution and that inevitably the road would end up with another bump.

Police Chief Shawn Freeman – Mayor Miller thanked Police Chief Freeman for his service to the Town and wished him success at the Town of Black Mountain.

Mayor Miller stated that Council would take a short break at 5:18 p.m.

- X. Closed Session – Pursuant to NC GS §143-318.11(a)(3) Attorney Client Matters*** – At 5:28 p.m., Vice Mayor Piquet moved to enter closed session pursuant to N.C. Gen. Stat. §143-318.11 (a)(3) for the purpose of discussing attorney-client matters, including *Town of Beech Mountain v. Genesis Wildlife Sanctuary, Inc.*, *Town of Beech Mountain v. Cooper*, *Beech Mountain v. Beech Mountain Vacations*, *Solars v. Town of Beech Mountain*, and *Town of Beech Mountain v. Milligan*. The motion was seconded by Councilwoman Castiglione and passed unanimously. Upon motion by Mayor Miller, seconded by Vice Mayor Piquet, the Council voted unanimously to exit closed session at 5:53 p.m.

XI. Other Business

Senate Bill 126 and House Bill 522 – Councilman Owen stated that Senate Bill 126 had passed the Senate with Senator Deanna Ballard voting for the bill. The legislation, identified as Senate Bill 126 and House Bill 522,

is now in the House of Representatives. Councilman Owen stated that the proposed bill deals with the reallocation of sales tax. Preliminary figures from the State Fiscal Research Division show that this proposed legislation would have a negative impact on Beech Mountain, Banner Elk, Boone, and the Town of Blowing Rock. Councilman Owen stated that right now the bill has been placed with the Rules Committee. Council requested that staff schedule appointments with local legislators to discuss the impact of the bill.

XII. *Adjourn* – At 6:00 p.m., Vice Mayor Piquet moved to adjourn, which was seconded by Councilwoman Castiglione. The motion passed unanimously.

Minutes approved by Town Council on June 13, 2016.

E. *'Rick'* Miller, Mayor

ATTEST:

Jennifer Broderick, MMC
Town Clerk

**ATTACHMENT TO MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Regular Meeting – May 9, 2017**

EXHIBIT A – Tax Release

EXHIBIT B – Authorization to Advertise Delinquent Taxes

EXHIBIT C – Proclamation: Arbor Day

EXHIBIT D – Proclamation Honoring Police Chief Shawn Freeman

EXHIBIT E – Resolution No. 2017-04: *Resolution of the Town of Beech Mountain, North Carolina Providing for the Issuance of \$4,300,000 Water and Sewer Revenue Bonds of the Town of Beech Mountain*

EXHIBIT F – Quitclaim Deed and Conservation Easement for 355 Locust Ridge Road

TOWN OF BEECH MOUNTAIN TAX OFFICE

RELEASE REQUEST

PROPERTY OWNER	LAST	FIRST	MIDDLE
	Kay Goldstein		
ADDRESS	60 Shorecrest Ct. Port Townsend, WA		
LOCATION	personal property	COUNTY	Watauga

☒ I HEREBY REQUEST RELEASE OF TAX UNDER G.S. 105-381 FOR THE FOLLOWING YEAR:

YEAR	ASSESSMENT		TAX AMOUNT			RECEIPT NUMBER
	TOWN	DISTRICT	TOWN	DISTRICT	TOTAL	
2016	3730		27.30		27.30	

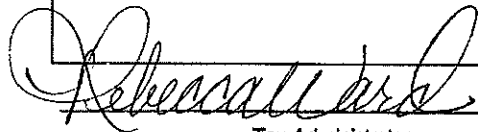
ACCOUNT NUMBER	
PARCEL NUMBER	511

AMOUNT OF RELEASE	\$27.30
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DATE OF COUNCIL MEETING	05-09-2017
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SPECIFIC REASON FOR RELEASE

county forgot to call and let us know to release this personal property bill



Tax Administrator

Approved By

Date

REFUND REQUEST

☐ I HEREBY REQUEST REFUND OF TAX UNDER G.S. 105-380 FOR THE FOLLOWING YEARS:

YEAR	TAX	INTEREST PENALTIES COSTS	TOTAL PAID	DATE PAID	TOTAL REFUND
MAKE CHECK TOTAL					

SPECIFIC REASON FOR REFUND

Tax Administrator

Approved By

Date



Tim Holloman, Town Manager
Stacy C. Eggers, IV, Attorney

Town of Beech Mountain

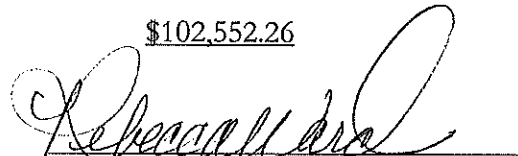
403 Beech Mountain Parkway
Beech Mountain, North Carolina 28604-8012
Telephone (828) 387-4236
Fax (828) 387-4862
www.townofbeechmountain.com

Council Members:
E. Rick Miller, Mayor
Paul Piquet, Vice Mayor
Renee Castiglione
Wendel Sauer
Rick Owen

ORDER TO ADVERTISE 2016 DELINQUENT PROPERTY TAXES

In accordance with North Carolina General Statute 105-369(a), the following represents the total of unpaid 2016 property taxes that are liens on real property to date:

\$102,552.26


Rebecca Ward, Tax Collector

You are hereby authorized, empowered, and commanded to advertise tax liens on real property for failure to pay 2016 taxes. You shall advertise said liens by posting a notice of the liens at the entrance of Town Hall and by publishing each lien at least one time in the Watauga Democrat. Advertisements of the tax liens shall be made no later than May 31, 2017.

This order shall be a full and sufficient authority to direct, require, and enable you to advertise said tax liens in accordance with North Carolina General Statute 106-369.

Witness my hand and official seal this 9th day of May, 2017

Attest:

E. Rick Miller
Mayor

Jennifer Broderick, Town Clerk

Council Members

E. 'Rick' Miller, Mayor
Paul Piquet, Vice Mayor
Renee Castiglione
Wendel Sauer
Rick Owen



Town Manager

Tim H. Holloman

Town Attorney

Stacy C. Eggers IV

PROCLAMATION

WHEREAS, Trees are a precious natural resource that improve the appearance of our community, increase the value of commercial and residential property, moderate air temperature, reduce energy costs, soil erosion and storm water runoff, and produce life-giving oxygen; and

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this special day, known as Arbor Day, is now observed throughout the nation and the world; and

WHEREAS, the Town of Beech Mountain has created a Tree Committee with the goal of conserving, protecting, maintaining, and enhancing trees in town spaces; and

WHEREAS, on May 26, 2017 the Town of Beech Mountain plans to celebrate Arbor Day by planting trees, by providing educational materials regarding the importance of a healthy forest, and by publicly presenting the Town's "Tree City USA" Award.

NOW THEREFORE, BE IT RESOLVED that I, E. 'Rick' Miller, Mayor of the Town of Beech Mountain, do hereby proclaim May 26, 2017 as

ARBOR DAY

in the Town of Beech Mountain, and urge all citizens to celebrate Arbor Day and to support efforts to protect the Town's trees and woodlands.

FURTHER, fall citizens are urged to plant and care for trees to gladden the heart and promote the well-being of this and future generations.

Proclaimed this 9th day of May in the year 2017.

Attest:

E. 'Rick' Miller, Mayor

Jennifer Broderick, MMC

Council Members

E. 'Rick' Miller, Mayor
Paul Piquet, Vice Mayor
Renee Castiglione
Wendel Sauer
Rick Owen



Town Manager
Tim H. Holloman

Town Attorney
Stacy C. Eggers IV

PROCLAMATION HONORING POLICE CHIEF SHAWN FREEMAN

WHEREAS, The Town of Beech Mountain has a Police Department that ranks highly with professional recognition in all the surrounding local law enforcement communities; and

WHEREAS, the Police Department is focused on community policing and has grown this initiative through the successful introduction of "Coffee with a Cop" and "National Night Out" programs and the utilization of social media to launch both a Facebook and Twitter account; and

WHEREAS, the Police Department has implemented a career development program and a Police Officer incentive program to assist with the retention of quality employees; and

WHEREAS, the Police Department provides additional training opportunities to prepare officers and telecommunicators for advancement as well as to assist them in becoming better public servants; and

WHEREAS, the Police Department is attired in a new uniform that enhances the look of the officers, removing barriers that traditional uniforms pose along with a new distinguishing badge and a newly designed patch that includes the new town seal; and

WHEREAS, the Town's Code of Ordinances has been strengthened through development of a Special Event Policy and Secondary Employment Policy to increase Town services and lower liability for the Town; and

WHEREAS, the Police Department has received approximately \$160,000 in no-match grants over the past two and a half years that have created opportunities for the department to provide body cameras, digital storage, renovation to the communication center, replacement of duty handguns and duty rifles along with qualification ammo, 86% funding for ballistic vests, and equipping two patrol vehicles with radios and cameras at zero cost to the tax payer.

NOW, THEREFORE, BE IT RESOLVED that I, Mayor E. 'Rick' Miller, on behalf of the Town Council and the citizens of the Town of Beech Mountain, do hereby recognize these accomplishments of the Police Department under the leadership of Police Chief Shawn Freeman whose strong work ethic incorporated a high level of integrity, sense of responsibility, discipline, emphasis on quality, and good sense of teamwork as he implemented his vision and performed his duties overseeing our Police Department. The Town extends wishes for continued professional success in the field of law enforcement.

Adopted this the 9th day of May, 2017.

Attest:

E. 'Rick' Miller, Mayor

Jennifer L. Broderick, MMC

Council Members

E. Rick Miller, Mayor
Paul Piquet, Vice Mayor
Renee Castiglione
Wendel Sauer
Rick Owen



Town Manager
Tim H. Holloman

Town Attorney
Stacy C. Eggers IV

Resolution No. 2017-04

**RESOLUTION OF
THE TOWN COUNCIL OF THE TOWN OF BEECH MOUNTAIN, NORTH CAROLINA
PROVIDING FOR THE ISSUANCE OF
\$4,300,000 WATER AND SEWER REVENUE BONDS
OF THE TOWN OF BEECH MOUNTAIN, NORTH CAROLINA**

BE IT RESOLVED by the Town Council of the Town of Beech Mountain, North Carolina (the "*Town*") that:

Section 1. The Town has determined and does hereby find and declare as follows:

(a) A bond order authorizing Water and Sewer Revenue Bonds of the Town was adopted by the Town Council of the Town on August 11, 2015 (the "*Bond Order*"), which order was effective on approval.

(b) It is necessary to issue \$4,300,000 of Water and Sewer Revenue Bonds, Series 2017 (the "*Bonds*") at this time, the proceeds of which will refinance the Town's \$4,300,000 Water and Sewer Revenue Bond Anticipation Note, maturing on May 19, 2017, the proceeds of which were used to finance certain improvements to the water and sewer system (the "*Project*").

(c) The maximum period of usefulness of the Project to be provided with the proceeds of the Bonds authorized hereby is estimated as a period of 40 years from May 17, 2017, the anticipated date of the Bonds, and such period expires on May 17, 2057.

Section 2. Pursuant to the Bond Order, the Town shall issue a bond in the amount of \$4,300,000, numbered R-1, dated as of the date of delivery thereof and maturing in annual installments on the first day of June in the following years and in the following amounts:

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2017	53,000	2036	98,000
2018	54,000	2037	102,000
2019	56,000	2038	105,000
2020	58,000	2039	109,000
2021	60,000	2040	112,000
2022	62,000	2041	116,000
2023	64,000	2042	120,000
2024	66,000	2043	124,000
2025	68,000	2044	128,000

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2026	71,000	2045	133,000
2027	73,000	2046	137,000
2028	75,000	2047	142,000
2029	78,000	2048	147,000
2030	81,000	2049	151,000
2031	83,000	2050	157,000
2032	86,000	2051	162,000
2033	89,000	2052	167,000
2034	92,000	2053	173,000
2035	95,000	2054	179,000
		2055	185,000
		2056	189,000

The Bonds shall bear interest on the unpaid part of such principal at a rate of 3.375% per annum until payment thereof, payable on June 1, 2017, and annually thereafter on the first day of June of each year until paid.

The Bonds will be sold to the United States of America, United States Department of Agriculture, Rural Development ("USDA") by private sale in accordance with Sections 6 and 7. The Bonds may not be defeased without written consent of USDA during such time as USDA remains the registered owner of the Bonds.

The Bonds shall bear interest from the date on which they are authenticated.

The principal of and the interest and any redemption premium on the Bonds are payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bond Registrar (as defined in the Bond Order) shall pay interest on the Bonds on each interest payment date to the person appearing on the registration books of the Town hereinafter provided for as the registered owner of such Bonds (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bonds) at the close of business on the record date for such interest, which is the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. During the time that USDA is the registered owner of the Bonds, payment of the installments of principal and interest when due and payable on the Bonds is to be made at the office of such fiscal agent as USDA designates without presentation or surrender thereof and, during any such time as an assignee thereof is the registered owner of the Bonds, payment of the installments of principal when due and payable on the Bonds is to be made at the corporate trust office of the Trustee (as defined in the Bond Order or a Series Resolution), on the presentation and surrender thereof, and payment of the interest when due and payable on the Bonds is to be made by check mailed to such assignee at his address as it appears on the Bond registration books of the Town hereinafter mentioned without the presentation or surrender thereof.

Section 2. The Bonds may be redeemed, at the option of the Town, as long as USDA is the owner of the Bonds, at any time before the maturity of any installment of the principal thereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any money that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date fixed for redemption, but without any premium. If USDA is not the owner of the Bonds, the Bonds maturing on and after June 1, 2028 may be redeemed, without premium, on or after June 1, 2027.

If all or any part of the Bonds is redeemed, the Bond Registrar shall send a notice of redemption by registered mail, at least 40 days before the date fixed for redemption, addressed (a) during the time that USDA is the owner of the Bonds, to such other address as USDA may designate by registered or certified mail forwarded to the Town at least 50 days before any redemption date, and (b) during any time as an assignee of USDA is not the owner of the Bonds, to the address as it appears on the registration book of the Town hereinafter mentioned.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or part thereof called for redemption are due and payable at the redemption price provided therefor, plus accrued interest to such date. If money sufficient to pay the redemption price of the Bonds or part thereof to be redeemed plus accrued interest thereon to the date set redemption are held at such place as USDA may designate (or, if the Bond or Bonds have been assigned by USDA, at the corporate trust office of the Trustee under Section 2) in trust for such purpose, interest on the Bonds or part thereof called for redemption ceases to accrue, such Bond, Bonds or part thereof ceases to be entitled to any benefits or security under the Bond Order or to be deemed outstanding, and the registered owners of such Bond, Bonds or part thereof have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If an installment of principal of the Bonds is redeemed, the Bond Registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such Bond for such purpose.

Section 3. The Bonds, on surrender thereof at the principal office or corporate trust office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as is satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for Bonds having maturities corresponding to the maturities of the installments of principal of such Bonds then unpaid, issuable in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and bearing interest at the same rate.

The transfer of the Bond or Bonds may be registered by the registered owner thereof only on execution of an assignment thereof duly executed by such registered owner or his attorney or legal representative. Notice of such assignment is to be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as is satisfactory to the Bond Registrar, and on receipt of such notice, such Bond or Bonds are to be registered as to both principal and interest on such registration books in the name of the assignee named in such notice. In no event will the Bond Registrar transfer the Bond to

any person other than a bank, an insurance company or a similar financial institution unless the Local Government Commission of North Carolina has previously approved such transfer.

The transfer of any bond issued in exchange for the Bond or Bonds as provided above may be registered only on the registration books of the Town on the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as is satisfactory to the Bond Registrar. On any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond or Bonds a new bond or bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond or Bonds so surrendered, of the same maturity and bearing interest at the same rate.

When the Bond or Bonds are exchanged or the transfer of the Bond or Bonds is registered hereunder and a new bond or bonds are to be delivered in exchange therefor, the Bond Registrar shall authenticate and deliver at the earliest practicable time bonds in accordance with the provisions of this resolution. The Bond Registrar shall cancel all Bonds surrendered in any such exchange or registration of transfer. The Bond Registrar is not required to make any such exchange or registration of transfer of (a) any Bond or Bonds during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or (b) any Bond or Bonds called for redemption in whole or in part under Section 3.

As to any Bond, the person in whose name it is registered is deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond is to be made only to or on the order of the registered owner thereof or his legal representative. All such payments are valid and effectual to satisfy and discharge the liability on such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The Town shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of installments of principal and interest with respect to the Bond or Bonds. The Finance Officer of the Town is hereby appointed the registrar, transfer agent and paying agent (the "*Bond Registrar*") for the Bonds, subject to the right of the Board to appoint another Bond Registrar, and as such shall keep at his office the books of the Town for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution; provided, however, that, if the Bond or Bonds registered in the name of USDA are assigned, the paying agent with respect to such Bond or Bonds will be the Trustee.

Section 4. The Bonds are to bear the manual or facsimile signatures of the Mayor and the Town Clerk, and the corporate seal or a facsimile of the corporate seal of the Town will be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on the Bonds will bear the manual or facsimile signature of the Secretary of said Commission, and the certificate of authentication of the Bond Registrar to be endorsed on the Bonds is to be executed as provided hereinafter.

If any officer of the Town or the Local Government Commission of North Carolina whose manual or facsimile signature appears on the Bonds ceases to be such officer before the delivery of such Bonds, such manual or facsimile signature is nevertheless valid and sufficient for purposes the same as if he had remained in office until such delivery, and the Bonds may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bonds are the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

No Bond is valid or obligatory for any purpose or entitled to any benefit or security under this resolution until it has been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds and the endorsements thereon are to be in substantially the form attached as Exhibit A hereto.

Section 5. The Local Government Commission of North Carolina is hereby requested to sell the Bonds at private sale pursuant to G.S. 159-123 to USDA, subject to the approval of the Mayor; provided, however, that the purchase price of the Bonds is at least \$4,300,000 plus 100% of accrued interest, if any, and that the maximum interest rate does not exceed 3.375% per annum.

Section 6. The Mayor is hereby authorized to approve the purchase price of the Bonds and the rate of interest on the Bonds in connection with the private sale of the Bonds, subject to the provisions of Section 6.

Section 7. This resolution may be amended or supplemented, from time to time, without the consent of the holder of the Bonds if in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the registered owners of the Bonds and would not cause the interest on the Bonds to be included in the gross income of a recipient thereof for federal income tax purposes. This resolution may be amended or supplemented with the consent of the registered owners of a majority in aggregate principal amount of the outstanding Bonds, but a modification or amendment may not, without the express consent of any registered owner of Bonds affected, reduce the principal amount of any Bonds, reduce the interest rate payable on it, extend its maturity or the times for paying interest, change the monetary medium in which principal and interest is payable, or reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment consented to by the registered owners of the Bonds is binding on all holders of the Bonds and will not be deemed an infringement of any of the provisions of this resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this resolution, and after consent has been given, no registered owner of the Bonds has any right or interest to object to the action, to question its propriety

or to enjoin or restrain the Town from taking any action pursuant to a modification or amendment.

If the Town proposes an amendment or supplemental resolution to this resolution requiring the consent of the registered owners of the Bonds, the Town shall cause notice of the proposed amendment to be sent to each registered owner by first-class mail, postage prepaid, to the address of such registered owner as it appears on the registration books; but the failure to receive such notice by mail by any registered owner, or any defect in the mailing thereof, will not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file in the office of the Town Clerk for inspection by the registered owners. If, within 60 days or such longer period as is prescribed by the Town following the giving of such notice, the registered owners of a majority in aggregate principal amount of the Bonds then outstanding have consented to the proposed amendment, the amendment will be effective as of the date stated in the notice.

Section 8. This resolution is effective on its passage.

READ, APPROVED AND ADOPTED this 9th day of May, 2017.

* * * * *

Council Members
 E. Rick Miller, Mayor
 Paul Piquet, Vice Mayor
 Renee Castiglione
 Wendel Sauer
 Rick Owen



Town Manager
 Tim H. Holloman

Town Attorney
 Stacy C. Eggers IV

EXHIBIT A

REGISTERED BOND WITHOUT COUPONS
 (Registered as to both principal and interest)

**UNITED STATES OF AMERICA
 STATE OF NORTH CAROLINA
 BEECH MOUNTAIN, NORTH CAROLINA
 WATER AND SEWER REVENUE BOND, SERIES 2017**

No. R-1

\$4,300,000

The Town of Beech Mountain, North Carolina (the "Town"), a municipal corporation duly organized under the laws of the State of North Carolina, is justly indebted and for value received hereby promises to pay to the

**UNITED STATES OF AMERICA
 UNITED STATES DEPARTMENT OF AGRICULTURE,
 RURAL DEVELOPMENT**

or its registered assigns, the principal sum of

FOUR MILLION THREE-HUNDRED THOUSAND DOLLARS

Section 1. in annual installments on the 1st day of June in the following years and amounts:

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2017	53,000	2036	98,000
2018	54,000	2037	102,000
2019	56,000	2038	105,000
2020	58,000	2039	109,000
2021	60,000	2040	112,000
2022	62,000	2041	116,000
2023	64,000	2042	120,000
2024	66,000	2043	124,000
2025	68,000	2044	128,000
2026	71,000	2045	133,000
2027	73,000	2046	137,000
2028	75,000	2047	142,000
2029	78,000	2048	147,000
2030	81,000	2049	151,000

YEAR OF MATURITY	PRINCIPAL AMOUNT	YEAR OF MATURITY	PRINCIPAL AMOUNT
2031	83,000	2050	157,000
2032	86,000	2051	162,000
2033	89,000	2052	167,000
2034	92,000	2053	173,000
2035	95,000	2054	179,000
		2055	185,000
		2056	189,000

and to pay interest from the date hereof on the unpaid part of such principal sum at the rate of 3.375% per annum until payment thereof, payable on June 1, 2017, and annually thereafter on the first day of June of each year until paid. The interest so payable on any such interest payment date will be paid to the person in whose name this Bond is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Both the principal of and the interest on this Bond are payable in any coin or currency of the United States of America which, at the respective date of payment thereof, is legal tender for the payment of public and private debts.

During the time that the United States of America is the registered owner of this Bond, payment of the installments of principal and interest when due and payable on this Bond are to be made at the office of such fiscal agent as the United States of America designates without presentation or surrender hereof and, during any such time as an assignee hereof is the registered owner of this Bond, payment of the installments of principal when due and payable on this Bond are to be made at the corporate trust office of the Trustee (as defined in the Bond Order defined herein or a series resolution), on the presentation and surrender hereof, and payment of the interest when due and payable on this Bond will be made by check mailed to such assignee at his address as it appears on the Bond registration books of the Town hereinafter mentioned without the presentation or surrender hereof. On receipt of said payments of principal and interest, written acknowledgment of the receipt thereof will be given promptly to the Bond Registrar hereinafter mentioned, and the Town will be fully discharged of its obligation on this Bond to the extent of the payment so made. On final payment, this Bond must be surrendered to the Bond Registrar for cancellation.

This Bond is issued pursuant to and in accordance with Article 5 and Article 9 of Chapter 159 of the General Statutes of North Carolina, both as amended, a bond order (the "*Bond Order*") adopted by the Town of Beech Mountain, North Carolina (the "*Town*") on August 11, 2015 and effective thereon and a resolution adopted by the Town on May 9th, 2017 (the "*Bond Resolution*"). The proceeds of this Bond are to be used to pay a portion of the cost of the certain improvements to the water and sewer system (the "*Project*").

The Bond is a special obligation of the Town payable solely from the Net Revenues (as defined in the Bond Order) of the Town's Water and Sewer System and from the proceeds of the Water and Sewer Revenue Bonds of the Town. NEITHER THE CREDIT NOR THE TAXING POWER OF THE TOWN IS PLEDGED FOR THE PAYMENT OF THIS BOND AND NO

HOLDER OF THIS BOND HAS THE RIGHT TO COMPEL EXERCISE OF THE TAXING POWER BY THE TOWN OR THE FORFEITURE OF ANY OF THE TOWN'S PROPERTY IN CONNECTION WITH ANY DEFAULT HEREON. Reference is hereby made to the Bond Order and the Bond Resolution and to all amendments and supplements thereto for a description of the provisions, among other, respecting the nature and extent of the security, the rights, duties and obligations of the Town, the rights of the holder of this Bond and the terms on which this Bond is issued and secured.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, this Bond may be exchanged for an equal aggregate principal amount of Bonds having maturities corresponding to the maturities of the installments of principal of this Bond then unpaid, issuable in fully registered form in the denomination of \$5,000 or any integral multiple thereof and bearing interest at the same rate.

This Bond is registered as to both principal and interest in the name of the United States of America on books of the Town kept by the Finance Officer, as Bond Registrar, and the transfer hereof may hereafter be registered by the registered owner hereof only on execution of an assignment hereon duly executed by such registered owner or his attorney or legal representative. Notice of such assignment is to be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as is satisfactory to the Bond Registrar, and on receipt of such notice this Bond is to be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

This Bond or any part hereof at the time outstanding may be redeemed, at the option of the Town, as long as USDA is the owner of the Bonds, at any time before the maturity of any installment of the principal thereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any money that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date set redemption, but without any premium. If USDA is not the owner of the Bonds, the Bonds maturing on and after June 1, 2028 may be redeemed, without premium, on or after June 1, 2027.

On the date designated for redemption, notice having been given and money for payment of the redemption price being held in trust for such purposes, all as provided in the Bond Resolution, this Bond or part hereof becomes and is due and payable, and the interest on this Bond or part hereof so redeemed ceases to accrue.

The Bond Registrar is not required to exchange or register any transfer of (a) any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or (b) any Bond called for redemption in whole or in part under the Bond Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required, and that the amount of this Bond, together with all

other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes.

IN WITNESS WHEREOF, the Town of Beech Mountain, North Carolina, by resolution duly passed, has caused this Bond to be manually signed by its Mayor and the Town Clerk and its corporate seal to be impressed hereon, all as of the 9th day of May, 2017.

E. *Rick* Miller, Mayor
Town of Beech Mountain, North Carolina

[SEAL]

Jennifer L. Broderick, Town Clerk
Town of Beech Mountain, North Carolina

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within Bonds have been approved under the provisions of The Local Government Finance Act of North Carolina.

By: _____
Greg C. Gaskins
Secretary of the Local Government
Commission

CERTIFICATE OF AUTHENTICATION

This Bond is issued under the provisions of the within-mentioned Resolution.

**FINANCE OFFICER OF THE TOWN OF BEECH
MOUNTAIN, NORTH CAROLINA, as Bond
Registrar**

Authorized Signature

Date of authentication: May 17, 2017

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite Name, Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration
thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by
a participant of the Securities Transfer
Agent Medallion Program ("*STAMP*") or
similar program.

NOTICE: The signature to this assignment
must correspond with the name as it
appears on the face of the within Bond in
every particular, without alteration,
enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

**This instrument drawn by: Eggers, Eggers, Eggers & Eggers, Attorneys at Law,
737 West King Street, Boone, North Carolina, 28607
(Prepared without a title examination by this office)**

STATE OF NORTH CAROLINA

**QUITCLAIM DEED AND
CONSERVATION EASEMENT**

COUNTY OF WATAUGA

THIS QUITCLAIM DEED, made and entered into this _____ day of _____, 20____ by
The Town of Beech Mountain, of 403 Beech Mountain Parkway, Beech Mountain, North Carolina, 28604,
party of the first part, hereinafter referred to as Grantor, and _____, of Street Address, City,
State, Zip Code, party of the second part, hereinafter referred to as Grantee;

WITNESSETH:

That said Grantor, for and in consideration of the sum of Ten and no/100ths Dollars (\$10.00)
and other good, valuable and sufficient consideration, in hand paid, the receipt of which is hereby
acknowledged, has remised and released, and by these presents does remise, release, convey and
forever quitclaim unto the Grantee, his/her heirs, successors and assigns, all right, title, claim and
interest of the Grantor in and to that certain property described as follows:

**BEING all of Lot 534, Section C, Charter Hills, Beech Mountain, NC, as shown on plat thereof
recorded in Map Book 07, at Page 42, Watauga County Registry.**

**This conveyance is made subject to Declaration of Restriction recorded in Book 104, at Page
133 of the Watauga County, NC Public Registry.**

**Title to the property hereinabove described is subject to an outstanding property taxes and/or
road assessments.**

**FOR BACK TITLE INFORMATION SEE BOOK 897, AT PAGE 718, OF THE PUBLIC REGISTRY FOR
WATAUGA COUNTY, NORTH CAROLINA.**

The Town of Beech Mountain hereby reserves a Conservation Easement across the above described tract such that no structure shall be built or erected upon the above described property. Further, no live tree measuring greater than six inches in diameter shall be cut, damaged, or removed from the property unless such tree poses an imminent danger to life or property.

The above described property is conveyed subject to any and all street, road and utility rights of way and easements of record.

TO HAVE AND TO HOLD, the aforesaid tract of land, and all privileges and appurtenances thereto belonging to the Grantee in fee simple, his/her heirs, successors and/or successors and assigns, free and discharged from all right, title, claim or interest of the Grantor or anyone claiming by, through or under it.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, the said Grantor has hereunto set its hand and affixed its seal, the day and year first above written.

THE TOWN OF BEECH MOUNTAIN, Grantor
By: E. 'Rick' Miller, Mayor

Attest:

Jennifer Broderick, MMC
Clerk to the Board

(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, Notary Public, do hereby certify that E. 'Rick' Miller, as the Mayor of the Town of Beech Mountain, and Jennifer Broderick, Clerk to the Town Council of the Town of Beech Mountain, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this ____ day of _____, 2017.

Notary Public

My commission expires: _____