



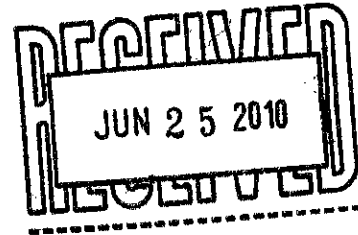
North Carolina Department of Environment and Natural Resources
Division of Water Quality

Beverly Eaves Perdue
Governor

Coleen H. Sullins
Director

Dee Freeman
Secretary

June 21, 2010



CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Marcy Onieal, Town Manager
Town of Black Mountain
160 Midland Avenue
Black Mountain, North Carolina 28711

SUBJECT: Offer & Acceptance for a State Loan
Project No. E-SRL-C-09-0079
Black Mountain, North Carolina

Dear Ms Onieal:

The Town of Black Mountain has been approved for loan assistance from the State General Revolving Loan Account of the Water Infrastructure Fund in the amount of \$1,396,255. This project will extend sewer service to Avena, McCoy Cove, and Blue Ridge Roads.

Enclosed are two (2) copies of an offer and acceptance document extending a State Loan in the amount of \$1,396,255. This offer is made subject to the assurances and conditions set forth in the Offer and Acceptance Document. Upon executing the Offer and Acceptance Document, please submit the following items to the attention of the Construction Grants and Loans Section, NC Division of Water Quality, 1633 Mail Service Center, Raleigh, NC 27699-1633, within forty-five (45) days of receipt of this letter.

1. A resolution adopted by the governing body accepting the loan offer and making the applicable assurances contained therein. (A sample copy is attached.)
2. One (1) copy of the original Offer and Acceptance Document executed by the authorized representative for the project. **Retain the other copy for your files.**

Priority for obtaining this loan was based on the entire scope of this project. Therefore, the town is required to complete the project as defined in your application and Engineering Report.

Ms. Marcy Onieal, Town Manager

June 21, 2010

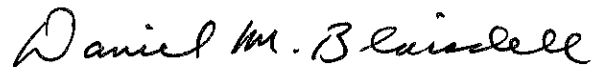
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In accordance with G.S. 159-26(b)(6), a capital project fund is required to account for all debt instrument proceeds and for all other resources used to finance capital projects. It is required that a capital project ordinance, in accordance with G.S. 159-13.2, be adopted by the governing board authorizing all appropriations necessary for the completion of the project. A copy of the approved ordinance must be submitted to this office prior to requesting the first reimbursement of funds.

In addition, the enclosed pay request form must be used for all reimbursement requests. You may make additional copies as needed. Also, enclosed is a copy of the audit compliance for the State Revolving Loan & Grant Program, along with a memorandum requesting your Federal Identification Number. Please note that your project will be audited in accordance with the General Statutes.

On behalf of the Department of Environment and Natural Resources, I am pleased to make this offer of State Loan funds, made available through the North Carolina Water Infrastructure Fund.

Sincerely,



Daniel M. Blaisdell, P.E., Chief
Construction Grants and Loans Section

DE

Enclosures (request forms/audit compliance forms & project ordinance sample)

cc: David Straub, David D. Smith and Company (Asheville)
Michael Adamio
Leslie Rogers
File, SRL-Offer