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March 29, 2018

Joint Legislative Committee on Local Government
Attention: Committee Chairs, Committee Ass't
North Carolina General Assembly
16 West Jones St.
Raleigh, NC 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
300 North Salisbury St., Suite 610
Raleigh, NC 27603

Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by Granville County

To the Committee:

As counsel to Granville County, North Carolina and Granville Health System, a municipal hospital organized pursuant to N.C. Gen. Stat. §131E-9(a), I am providing this notice in accordance with N.C. Gen. Stat. §120-157.2 of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. The following is additional information concerning the proposed financing –

Project description – The project is the construction of a 24,000 square foot medical office building (“MOB”) on land adjacent to Granville Health System’s current campus. The real property is already owned by Granville County which holds title to all real property assets of Granville Health System. The MOB will be two stories. The first story will be finished. The second story will be left as an unfinished shell for future expansion.

LGC meeting for consideration –The applicants intend to seek approval at the May 1, 2018 meeting of the Local Government Commission.

Estimated amount to be financed –The applicants expect to seek financing of approximately \$5,800,000.00

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Type of financing – The financing will be an installment financing under N.C. Gen. Stat. §160A-20.

Description of other sources of financing – The applicants expect that the amount borrowed will pay substantially all the costs of the project. Any additional costs will be paid by Granville Health System from funds generated from operations.

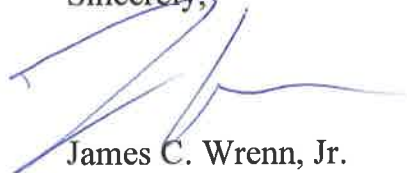
Estimated financing term – The County expects a financing term of approximately 20 years, which is less than the expected useful life of the property being financed.

Estimated interest rate – Under current market conditions, the County expects a true interest cost of the financing of approximately 4.25%.

Expected source of payment – The loan will be repaid from revenues generated through the operations of Granville Health System.

Please let me know if you have additional questions or comments for me about this proposed financing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James C. Wrenn, Jr.', is written over the printed name.

James C. Wrenn, Jr.

cc: Tim Romocki via e-mail at Tim.Romocki@nctreasurer.com