

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU), entered into this 20th day of December, 2010, between the following parties:

- Haywood County, a body politic and corporate, a subdivision of the state of North Carolina (the County) and
- Haywood County Fairgrounds, Inc., formerly Haywood County Agriculture and Activities Board (the Fairgrounds)

Establishes the following:

WHEREAS the Fairgrounds has entered into two loan agreements with First Citizens Bank, and has, subsequently, determined that repayment of these loans cannot occur within the timeframe required by First Citizens Bank, and

WHEREAS the County intends to obtain a USDA loan sufficient to purchase the structures at the county fairgrounds, and to cover the cost of needed capital improvements at the county fairgrounds, and

WHEREAS the County, due to circumstances beyond the control of the County, has determined that obtaining the USDA loan will not occur in a timeframe suitable to purchase the structures and other leasehold improvements at the county fairgrounds, and

WHEREAS, Haywood County and the Fairgrounds desire to enter into an agreement for the repayment of the First Citizens Bank loan by way of a loan from the County,

NOW, THEREFORE, the County does hereby agree to lend to the Fairgrounds an amount that will cover the principal due to First Citizens Bank by December 25, 2010 at an interest rate equivalent to the county's rate earned on available operating funds, to be repaid to the County at such time that the Fairgrounds sells the structures and other leasehold improvements on the fairgrounds property to the County; thereby terminating the ground lease between the Fairgrounds and the County.

The County will transfer funds, hereby being loaned, in the amount of \$337,110.59, (the First Citizens Bank loans principal balances), to the Fairgrounds, that will be promptly paid to First Citizens Bank as repayment of the First Citizens Bank loans.

The Fairgrounds will promptly give to The County, evidence of payment of the First Citizens Bank loans.

The Agreement, dated October 28, 2010 and approved by the Fairgrounds shall be amended to conform with this MOU.

This MOU shall be governed by the laws of the State of North Carolina.

The waiver or breach of any term or condition of this MOU shall not be deemed to constitute the continuing waiver of the same or any other term or condition.

In the event that any portion of this MOU shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this MOU shall continue in full force and effect.

This MOU constitutes the entire indivisible statement of agreement between the parties with respect to the transaction contemplated herein and shall not be modified, amended, altered or changed except by written agreement signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this MOU, under seal, in duplicate originals as of the date first set forth above.

Mark S. Swanger, Chairman, Haywood County Commissioners

County Manager and Clerk to the Board
Haywood County

Chairperson, Haywood County Fairgrounds Board

December 20, 2010

Date