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June 15, 2017

Jackson County Commissioners

For consideration at the meeting of the Jackson County Commissioners June 19, 2017:

- Five Forty Broadcasting Company LLC. secured a loan from the Jackson County Revolving Loan Fund in March 2012 with a face value of \$132,000 dollars
- Five Forty Broadcasting Company LLC. secured a second Economic Development loan with a face value of \$179,000
- The payback schedule was 40 payments over ten years to be paid on the last day of March, June, October, and December of each year. ( Section2.9.1)
- The next scheduled payment is June 30, 2017
- Five Forty Broadcasting Company LLC. has made all scheduled payments on time
- With the deliverance of the June 2017 payment that will mark the halfway mark in the repayment schedule but not fifty percent of the loan face value due to the greater amount of interest required in the initial payments
- Five Forty Broadcasting Company LLC provided to the County of Jackson substantial collateral and guarantees for the loans and additional forfeitures should the Company default on the loans. These included a personal guarantee, a lien on the assets of Five Forty Broadcasting Company LLC excluding the broadcast license for WRGC Radio, and a lien on eight acres of property and double wide mobile home located at 930 Rufus Robinson Road in Sylva.
- The County of Jackson evaluates the assets of Five Forty Broadcasting Company LLC excluding the license for radio station WRGC at \$149,000
- The County of Jackson evaluation for the eight acres of land and the double wide mobile home at \$114,230.00
- The agreement Section 2.2.4 requires the Company to notify the County Of Jackson of any intentions to sell any of the property encumbered by the loan
- Five Forty Broadcasting Company LLC is using this opportunity to report to the County of Jackson of the intention of Five Forty Broadcasting Company LLC to market the doublewide mobile home and approximately one acre of land which is considered the primary home site.
- The proceeds from the sale of the property would be used to pay-off the current remaining balance of \$75,087.80. (Be it noted that amount will decrease with the deliverance of the scheduled June 30, 2017 payment).
- Should the property sell for a higher amount the additional revenue funds would be used to further secure the stability of Five Forty Broadcasting Company LLC such as collateral for the purchase of the land upon which the broadcast tower sits and the Broadcast Center on Skyland Drive in Sylva, and further debt retirement at an expected division of 75 to 25%.
- The County Of Jackson County would retain a lien on the assets identified earlier and the remaining unsold acreage excluded from sale
- Five Forty Broadcasting Company LLC will continue with the repayment of the remaining \$101,808.47 balance with 20 additional payments over the next five years.

Roy Burnette  
Managing Member Five Forty Broadcasting Company