

July 27, 2017

VIA U.S. FIRST CLASS MAIL

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
N.C. General Assembly
16 W. Jones Street
Raleigh, North Carolina 27601

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N.C. General Assembly
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Legislative Office Bldg.
300 N. Salisbury Street
Raleigh, North Carolina 27603-5925

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Re: County of Cabarrus, North Carolina (the "County") - Installment
Contract Financing Pursuant to NCGS §160A-20;
Cabarrus County Development Corporation (the "Corporation") - Limited
Obligation Bonds, Series 2017

Ladies and Gentlemen:

As Bond Counsel to the above-referenced County, and pursuant to NCGS Section 120-157.2, you are hereby given notice that the County proposes to execute and deliver an installment financing contract pursuant to NCGS §160A (the "Contract") and use the proceeds thereof to finance all or a portion of the cost of various capital projects. The maximum principal amount of the County's Contract will not exceed \$128,105,000. The interest component of the County's Contract will be tax-exempt for both federal and State of North Carolina income tax purposes.

The projects consist of capital expenditures to pay all or a portion of the costs of (a) constructing and equipping new public school facilities and expanding, rehabilitating, renovating and equipping existing public school facilities, including but not limited to, one new high school and one new performance learning center

high school, (b) acquisition of one or more parcels of real property, including any and all improvements located thereon, to be used for future County purposes, (c) the construction and equipping of a new multi-story parking garage and related facilities on real property owned by the County, (d) the acquisition of any necessary rights-of-way and easements related to each of the foregoing and (e) various real and personal property improvements related to each of the foregoing.

The projects will all be owned by the County.

The County will enter into the Contract with the Corporation to obtain funds to finance the projects. The Corporation will then execute and deliver its Limited Obligation Bonds, Series 2017 (the "2017 LOBS"), in an aggregate principal amount not exceeding \$128,105,000 to fund the advancement of money by the Corporation to the County under the Contract. The 2017 LOBS represent undivided interests in the Contract. The 2017 LOBS will be sold through either a public offering and sale or through a private placement to a bank or other financial institution.

The source of repayment for the County's installment financing contract will be the general fund of the County. The County's fee simple interest in only the new high school will be pledged as collateral to secure the County's obligations under the Contract.

No deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Contract; and the taxing power of the County will not and may not be pledged directly or indirectly or contingently to secure any amounts due under the Contract.

The financing will be presented to the Local Government Commission for approval at the LGC's meeting on September 12, 2017 or thereafter, a date more than 45 days after the date of this notice.

Very truly yours,



Stephen L. Cordell

SLC/tjd

cc: Greg C. Gaskins, Secretary
Local Government Commission
N.C. Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604