

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT  
OF PROPOSED LOCAL GOVERNMENT FINANCING**

October \_\_, 2017

Joint Legislative Committee on Local Government  
16 West Jones Street  
Raleigh, North Carolina 27601  
Attention: Committee Chairs and Assistant

Fiscal Research Division  
Legislative Office Building  
300 North Salisbury Street, Suite 619  
Raleigh, North Carolina 27603-5925  
Attention: Acting Director

North Carolina Local Government Commission  
325 North Salisbury Street  
Raleigh, North Carolina 27603-1388  
Attention: Secretary

***Not to exceed \$72,100,000  
City of Durham, North Carolina  
Limited Obligation Bonds, Series 2018A and B***

In accordance with N.C. Gen. Stat. §120-157.2(a) (the “*Statute*”), the City of Durham, North Carolina (the “*City*”) hereby notifies you of its intent to execute and deliver an installment financing contract (the “*Contract*”) with the New Durham Corporation (the “*Corporation*”), pursuant to which the Corporation will execute and deliver the above-referenced limited obligation bonds (the “*Bonds*”) in an aggregate principal amount not to exceed \$72,100,000 for an aggregate term of no more than 21 years.

The City intends to apply the proceeds of the Bonds to pay the capital costs of (a) the acquisition, construction and equipping of a City-owned parking deck (the “*Parking Deck*”) and other parking-related improvements (collectively, the “*2018 Project*”), (2) the prepayment of a portion of the City’s installment payment obligations with respect to an Installment Purchase Contract dated as of July 1, 2001 (the “*2001 Contract*”), as amended by Amendment Number One to the Installment Purchase Contract dated as of August 1, 2010 (the “*First Contract Amendment*”), each between the City and the Corporation, the proceeds of which originally financed (i) improvements to City parking, transportation, solid waste, civic and cultural, firefighting facilities and City Hall and City Hall Annex, (ii) upgrades to the City’s downtown, (iii) housing redevelopment, (iv) the acquisition of Equipment (as defined in the First Contract Amendment), and (v) the refinancing of the 2008 Project, the 2001 Project, the 1998 Project and the 1991 Project (as each is defined in the First Contract Amendment) and (3) the refinancing of a portion of the City’s Taxable General Obligation Bonds, Series 2010B, the proceeds of which originally financed public safety, cultural, parks and recreational, streets and sidewalk, water and sewer, neighborhood, public building and parking improvements.

The security for the Bonds will be a deed of trust on one or more of the sites of the above-referenced projects. The obligation of the City to make the Installment Payments and Additional Payments (each as defined in the Contract) will constitute a limited obligation of the City, payable solely from currently budgeted appropriations of the City and will not constitute a general obligation or other indebtedness of the City within the meaning of the Constitution of the State of North Carolina (the “*Constitution*”) or a direct or indirect pledge of the faith and credit or taxing power of the City within the meaning of the Constitution.