

March 17, 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

✓ Fiscal Research Division
N.C. General Assembly
Suite 619
Legislative Office Bldg.
300 N. Salisbury Street
Raleigh, North Carolina 27603-5925

Charleston

Charlotte

Columbia

Greensboro

Greenville

Hilton Head

Myrtle Beach

Raleigh

Re: Town of Harrisburg, NC (the "Town") Installment Contract Financing
Pursuant to NCGS §160A-20

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 and use the proceeds thereof to finance all or a portion of the cost of a capital project. The maximum principal amount of the Town's installment financing contract will not exceed \$2,000,000. The interest component of the Town's installment financing contract will be taxable for both federal and State of North Carolina income tax purposes.

The project consists of capital expenditures for the acquisition of a fee simple interest in the second floor of the Harrisburg Town Hall (the "Building"), which is located at 4100 Main Street, Harrisburg, NC 28075. The administrative offices of the Town are currently located on the first floor of the Building.

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The project will be owned by the Town. However, the project is currently subject to a lease to the Harrisburg YMCA that has a remaining term of approximately 4.5 years (including optional renewals). The project will continue to be used by the Harrisburg YMCA for the remainder of the term, or until the possible earlier termination of, the existing lease. Thereafter, the Town plans to expand its administrative offices to the second floor of the Building.

The financing will be accomplished through a private placement of the Town's installment financing contract to a bank that will be selected through a bidding process. The source of repayment for the Town's installment financing contract will be the general fund of the Town. The Town's fee simple interest in the project will be pledged as collateral to secure the Town's obligations under the installment financing contract.

However, no deficiency judgment may be rendered against the Town in any action for breach of a contractual obligation under the installment financing contract; and the taxing power of the Town will not and may not be pledged directly or indirectly or contingently to secure any amounts due under the installment financing contract.

The financing will be presented to the Local Government Commission for approval at the LGC's meeting on May 2, 2017 or thereafter, a date more than 45 days after the date of this notice.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Steve", is written over the typed name.

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