

Stephen L. Cordell
Member

May 22, 2018

VIA U.S. FIRST CLASS MAIL

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
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Raleigh, North Carolina 27601

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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 2018

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-20 (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 \$11,000,000. 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) the acquisition of numerous parcels of real property in the County, including any and all improvements located thereon, if any, to be used as the proposed sites of (i) a new public middle school facility, (ii) a new public senior high school facility

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and (iii) a new library/senior center facility; (b) the acquisition of any necessary rights-of-way and easements related to each of the foregoing and (c) various real and personal property improvements related to each of the foregoing.

All of the real property will 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 2019 (the "2019 LOBS"), in an aggregate principal amount not exceeding \$11,000,000 to fund the advancement of money by the Corporation to the County under the Contract. The 2019 LOBS represent undivided interests in the Contract. The 2019 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 plan is that only the County's fee simple interest in the proposed site of the new high school and any and all improvements thereon, including, without limitation, the new high school, will be pledged as collateral to secure the County's obligations under the Contract. However, it is possible that all of the proposed sites and any and all improvements thereon ultimately will need to 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 July 9, 2019 or thereafter, a date more than 45 days after the date of this notice.

Very truly yours,



Stephen L. Cordell

SLC/mm

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