

Stephen L. Cordell
Member

November 19, 2020

VIA U.S. FIRST CLASS MAIL

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

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Raleigh, North Carolina 27603-5925

Charleston

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

Ladies and Gentlemen:

As Bond Counsel to the above-referenced Town, and pursuant to NCGS Section 120-157.2, you are hereby given notice that the Town 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 capital projects. The maximum principal amount of the Town's installment financing contract will not exceed \$21,000,000. The interest component of the Town's installment financing contract will be excludable from gross income for both federal and State of North Carolina income tax purposes.

The projects consist of capital expenditures for the costs of (a) the acquisition, architectural, engineering, surveying, soil testing, bond issuance, construction, installation and equipping of (i) a new Town Hall and (ii) a new library (collectively, the "Project"), (b) parking infrastructure for the Project, (c) telephone and internet infrastructure for the Project, including, without limitation, relocation of telephone

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and/or internet lines and related costs, (d) road infrastructure improvements, (e) the acquisition of any necessary rights-of-way and easements related to each of the foregoing and (f) various real and personal property improvements related to each of the foregoing.

The Project will be owned by the Town and will be located at 315 Jack Hughes Lane, Pineville, NC 28134. The first floor of the Project will be leased to The Public Library of Charlotte and Mecklenburg County for use as a public library. The term of the lease will be for 50 years, subject to earlier termination pursuant to the provisions of the lease. The second floor of the Project will be used by the Town as a new town hall for the Town.

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 competitive proposal 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 January 5, 2021 or thereafter, a date more than 45 days after the date of this notice.

Very truly yours,



Stephen L. Cordell

SLC/sl

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