

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DURHAM, NORTH CAROLINA  
MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE**

*WHEREAS*, the City Council (the “*City Council*”) of the City of Durham, North Carolina (the “*City*”) is considering the issuance of bonds (the “*Bonds*”) of the City which will be for the following purposes and in the following maximum amount:

Not to exceed \$60,500,000 of General Obligation Refunding Bonds to pay the costs of refunding in advance of their maturities all or a portion of \$3,635,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Refunding Bonds, Series 2005D maturing on and after April 1, 2016, \$11,990,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2006B maturing on and after November 1, 2017; \$8,380,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2008A maturing on and after February 1, 2019; and \$31,540,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2008B maturing on and after February 1, 2019.

*WHEREAS*, the City Council must make certain findings of fact in order to enable the Local Government Commission of the State of North Carolina to make certain determinations as set forth in Section 159-52 of the General Statutes of North Carolina.

*NOW, THEREFORE, BE IT RESOLVED* that the City Council, meeting in open session on the 18th day of December, 2014, has made the following factual findings in regard to this matter:

A. ***Facts Regarding Necessity of Proposed Financing.*** The proposed bonds are necessary and expedient to lower debt service costs to the City.

B. ***Facts Supporting the Amount of Bonds Proposed.*** The sums estimated for these bonds are adequate and not excessive for the proposed purpose.

C. ***Past Debt Management Policies.*** The City’s debt management policies have been carried out in compliance with law. The City employs a Finance Director to oversee compliance with applicable laws relating to debt management. The City Council requires annual audits of City finances. In connection with these audits, compliance with laws is reviewed. The City is not in default in any of its debt service obligations. The City Attorney reviews all debt-related documents for compliance with laws.

D. ***Past Budgetary and Fiscal Management Policies.*** The City’s budgetary and fiscal management policies have been carried out in compliance with laws. Annual budgets are closely reviewed by the City Council before final approval of budget ordinances. Budget amendments increasing total appropriations in any fund are presented to the City Council at regular City Council meetings. The Finance Director presents financial information to the City Council that shows budget to actual comparisons annually and otherwise as the City Manager deems necessary or as a member of the City Council may request.

E. ***Retirement of Debt.*** The schedule for issuing the bonds does not require a property tax increase. The schedule for issuance calls for issuing all of the bonds in Fiscal Year 2015, but issuance may be delayed until such time as the City receives sufficient net present value savings therefrom.

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the foregoing resolution entitled “**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DURHAM,**

**NORTH CAROLINA MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE”**  
was duly adopted by the following vote:

AYES:

NAYS:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$60,500,000  
GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF DURHAM, NORTH CAROLINA**

*WHEREAS*, the City of Durham, North Carolina (the “*City*”) has issued (1) \$23,545,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Refunding Bonds, Series 2005D (the “*2005D Bonds*”), (2) \$16,990,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2006B (the “*2006B Bonds*”); (3) \$12,350,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2008A (the “*2008A Bonds*”); and (4) \$46,570,000 aggregate principal amount of the City of Durham, North Carolina General Obligation Bonds, Series 2008B (the “*2008B Bonds*”);

*WHEREAS*, the City Council of the City (the “*City Council*”) deems it advisable to refund all or a portion of the 2005D Bonds maturing on and after April 1, 2016, the 2006B Bonds maturing on and after November 1, 2017, the 2008A Bonds maturing on and after February 1, 2019, and the 2008B Bonds maturing on and after February 1, 2019 (collectively, the “*Refunded Bonds*”);

*NOW, THEREFORE, BE IT ORDERED* by the City Council as follows:

Section 1. The City Council deems it advisable to refund all or a portion of the Refunded Bonds.

Section 2. To raise the money required to pay the costs of refunding the Refunded Bonds as set forth above, General Obligation Refunding Bonds of the City are hereby authorized and shall be issued pursuant to the Local Government Bond Act of North Carolina. The maximum aggregate principal amount of such General Obligation Refunding Bonds authorized by this bond order shall be and not exceed \$60,500,000.

Section 3. A tax sufficient to pay the principal of and interest on said General Obligation Refunding Bonds when due shall be annually levied and collected.

Section 4. A sworn statement of the City’s debt has been filed with the City Clerk and is open to public inspection.

Section 5. This bond order shall take effect on its adoption.

Adopted by unanimous consent without change or amendment.

As prescribed by The Local Government Bond Act, the City Clerk is directed to publish a notice of adoption of the bond order titled, “**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$60,500,000 GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF DURHAM, NORTH CAROLINA,**” which was introduced at the meeting of the City Council held on December 18, 2014.