

The City Council of the City of Raleigh, North Carolina held a regular meeting in the City Council Chambers at the Avery C. Upchurch Government Complex located at 222 West Hargett Street in Raleigh, North Carolina, the regular place of meeting, at 1:00 p.m. on January 19, 2016.

Present: Mayor Nancy McFarlane, presiding, and Council Members

Absent: Council Members

Also Present:

* * * * *

_____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Council Member:

Resolution No. (2016)-_____

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AND AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION IN CONNECTION WITH THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS BY THE CITY OF RALEIGH, NORTH CAROLINA

BE IT RESOLVED by the City Council (the “City Council”) of the City of Raleigh, North Carolina (the “City”):

Section 1. The City Council does hereby determine that:

(a) Preliminary analysis has been completed to demonstrate a benefit of refunding all or a portion of the City’s outstanding (i) General Obligation Housing Bonds, Series 2004B, dated March 1, 2004 (the “2004B Bonds”), (ii) General Obligation Housing Bonds, Series 2007, dated March 1, 2007 (the “2007 Bonds”), (iii) General Obligation Public Improvement Bonds, Series 2009A, dated March 10, 2009 (the “2009A Bonds”), (iv) General Obligation Housing Bonds, Series 2009C, dated March 11, 2009 (the “2009C Bonds”), (v) General Obligation Public Improvement Bonds, Series 2009F, dated September 3, 2009 (the “2009F Bonds”), (vi) General Obligation Housing Bonds, Series 2009G, dated September 3, 2009 (the “2009G Bonds”), (vii) General Obligation Public Improvement Bonds, Series 2012A, dated May 15, 2012 (the “2012A Bonds”), and (viii) General Obligation Public Improvement Bonds, Series 2012B, dated May 16, 2012 (the “2012B Bonds”).

(b) The City Council wishes to commence the procedures for the issuance of not to exceed \$160,000,000 General Obligation Refunding Bonds of the City (the "Bonds") for the purpose of providing funds, together with any other available funds, to refund all or a portion of the outstanding 2004B Bonds, 2007 Bonds, 2009A Bonds, 2009C Bonds, 2009F Bonds, 2009G Bonds, 2012A Bonds and 2012B Bonds.

(c) The annual audits of the City show the City to be in strict compliance with debt management policies and that the budgetary and fiscal management policies are in compliance with law.

Section 2. The filing by the City of an application with the North Carolina Local Government Commission for approval of the issuance of the Bonds in an aggregate principal amount not to exceed \$160,000,000 is hereby authorized, ratified and approved.

Section 3. This resolution shall take effect immediately upon its passage.

Thereupon, the resolution entitled: "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS AND AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION IN CONNECTION WITH THE PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS BY THE CITY OF RALEIGH, NORTH CAROLINA" was passed by the following vote:

Ayes: _____

Noes: _____

Thereupon, Council Member _____ introduced the following order authorizing bonds the title of which was read and a copy of which had been previously distributed to each Council Member:

Order No. (2016)-_____

ORDER AUTHORIZING \$160,000,000 GENERAL OBLIGATION REFUNDING BONDS

BE IT ORDERED by the City Council of City of Raleigh, North Carolina:

1. That pursuant to The Local Government Bond Act, as amended, the City of Raleigh, North Carolina, is hereby authorized to contract a debt, in addition to any and all other debt which said City may now or hereafter have power and authority to contract, and in evidence thereof to issue General Obligation Refunding Bonds in an aggregate principal amount not exceeding \$160,000,000 for the purpose of providing funds, together with any other available funds, to (a) refund all or a portion of the City's outstanding (i) General Obligation Housing

Bonds, Series 2004B, dated March 1, 2004, (ii) General Obligation Housing Bonds, Series 2007, dated March 1, 2007, (iii) General Obligation Public Improvement Bonds, Series 2009A, dated March 10, 2009, (iv) General Obligation Housing Bonds, Series 2009C, dated March 11, 2009, (v) General Obligation Public Improvement Bonds, Series 2009F, dated September 3, 2009, (vi) General Obligation Housing Bonds, Series 2009G, dated September 3, 2009, (vii) General Obligation Public Improvement Bonds, Series 2012A, dated May 15, 2012, and (viii) General Obligation Public Improvement Bonds, Series 2012B, dated May 16, 2012, and (b) pay certain expenses related thereto.

2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.

3. That a sworn statement of debt of said City has been filed with the City Clerk and is open to public inspection.

4. That this order shall take effect upon adoption.

The City Council thereupon designated the Chief Financial Officer of the City to make and file with the City Clerk the sworn statement of debt of the City which is required by The Local Government Bond Act, as amended, to be filed after the bond order has been introduced. The City Council also designated the Chief Financial Officer of the City to file with the City Clerk the statement of total estimated interest which is required by The Local Government Bond Act, as amended, to be filed with the City Clerk at the time the bond order is introduced and further directed the City Clerk to file a copy of such statement with the Local Government Commission.

Thereupon, the Chief Financial Officer of the City caused to be filed with the City Clerk, in the presence of the City Council, the sworn statement of debt and the statement of total estimated interest as so required.

Thereupon, the order entitled "ORDER AUTHORIZING \$160,000,000 GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

Ayes: _____

Noes: _____

The City Clerk was thereupon directed to publish the aforementioned order, together with the appended statement as required by The Local Government Bond Act, as amended, once in The News and Observer.

Thereupon, _____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$140,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A AND \$20,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B (TAXABLE)

BE IT RESOLVED by the City Council (the “City Council”) of the City of Raleigh, North Carolina (the “City”):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing not exceeding \$160,000,000 General Obligation Refunding Bonds, authorizing the issuance of refunding bonds to refund all or a portion of the City’s outstanding (i) General Obligation Housing Bonds, Series 2004B, dated March 1, 2004 (the “2004B Bonds”), (ii) General Obligation Housing Bonds, Series 2007, dated March 1, 2007 (the “2007 Bonds”), (iii) General Obligation Public Improvement Bonds, Series 2009A, dated March 10, 2009 (the “2009A Bonds”), (iv) General Obligation Housing Bonds, Series 2009C, dated March 11, 2009 (the “2009C Bonds”), (v) General Obligation Public Improvement Bonds, Series 2009F, dated September 3, 2009 (the “2009F Bonds”), (vi) General Obligation Housing Bonds, Series 2009G, dated September 3, 2009 (the “2009G Bonds”), (vii) General Obligation Public Improvement Bonds, Series 2012A, dated May 15, 2012 (the “2012A Bonds”), and (viii) General Obligation Public Improvement Bonds, Series 2012B, dated May 16, 2012 (the “2012B Bonds”), was adopted by the City Council of the City on January 19, 2016, which order has taken effect.

(b) None of said bonds have been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue all or a portion of such bonds at this time.

(c) (i) The shortest period of time in which the outstanding 2004B Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Local Government Commission of North Carolina (the “Commission”) is a period which expires on April 1, 2017, and that the end of the unexpired usefulness of the housing projects financed by the 2004B Bonds is estimated as a period of at least forty (40) years from March 1, 2004, the date of the 2004B Bonds, and that such period expires on March 1, 2044.

(ii) The shortest period of time in which the outstanding 2007 Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on March 1, 2027, and that the end of the unexpired usefulness of the housing projects financed by the 2007 Bonds is estimated as a period of at least forty (40) years from March 1, 2007, the date of the 2007 Bonds, and that such period expires on March 1, 2047.

(iii) The shortest period of time in which the outstanding 2009A Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City

as determined by the Commission is a period which expires on February 1, 2029, and that (i) the end of the unexpired usefulness of the street improvement and sustainability projects financed by the 2009A Bonds is estimated as a period of at least twenty (20) years from March 10, 2009, the date of the 2009A Bonds, and that such period expires on March 10, 2029 and (ii) the end of the unexpired usefulness of the fire station, recreational facilities and public building improvement projects financed by the 2009A Bonds is estimated as a period of at least forty (40) years from March 10, 2009, the date of the 2009A Bonds, and that such period expires on March 10, 2049.

(iv) The shortest period of time in which the outstanding 2009C Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on February 1, 2029, and that the end of the unexpired usefulness of the housing projects financed by the 2009C Bonds is estimated as a period of at least forty (40) years from March 11, 2009, the date of the 2009C Bonds, and that such period expires on March 11, 2049.

(v) The shortest period of time in which the outstanding 2009F Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on February 1, 2029, and that (i) the end of the unexpired usefulness of the street improvement projects financed by the 2009F Bonds is estimated as a period of at least twenty (20) years from September 3, 2009, the date of the 2009F Bonds, and that such period expires on September 3, 2029 and (ii) the end of the unexpired usefulness of the recreational facilities improvement projects financed by the 2009F Bonds is estimated as a period of at least forty (40) years from September 3, 2009, the date of the 2009F Bonds, and that such period expires on September 3, 2049.

(vi) The shortest period of time in which the outstanding 2009G Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on February 1, 2030, and that the end of the unexpired usefulness of the housing projects financed by the 2009G Bonds is estimated as a period of at least forty (40) years from September 3, 2009, the date of the 2009G Bonds, and that such period expires on September 3, 2049.

(vii) The shortest period of time in which the outstanding 2012A Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on April 1, 2032, and that the end of the unexpired usefulness of the parks and recreation facilities improvement projects and the land acquisition financed by the 2012A Bonds is estimated as a period of at least forty (40) years from May 15, 2012, the date of the 2012A Bonds, and that such period expires on May 15, 2052.

(viii) The shortest period of time in which the outstanding 2012B Bonds to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the City as determined by the Commission is a period which expires on April 1, 2032, and that (i) the end of the unexpired usefulness of the transportation and street improvement projects financed by the 2012B Bonds is estimated as a period of at least twenty (20) years from May 16, 2012, the date of the 2012B Bonds, and that such period expires on May 16, 2032 and (ii) the end of the unexpired usefulness of the parks and recreational facilities improvement projects financed by

the 2012B Bonds is estimated as a period of at least forty (40) years from May 16, 2012, the date of the 2012B Bonds, and that such period expires on May 16, 2052.

Section 2. Pursuant to said order there shall be issued bonds designated “General Obligation Refunding Bonds, Series 2016A” (the “2016A Bonds”) and dated the date of delivery thereof. Initially, the 2016A Bonds shall be issued in the aggregate principal amount of \$123,495,000 and stated to mature (subject to adjustment as hereinafter provided) annually, September 1, \$8,865,000 2022, \$15,110,000 2023, \$15,200,000 2024, \$15,270,000 2025, \$15,235,000 2026, \$14,960,000 2027, \$12,485,000 2028, \$11,525,000 2029, \$11,210,000 2030 and \$3,635,000 2031, and shall bear interest at a rate or rates to be determined by the Commission at the time the 2016A Bonds are sold, which interest to the respective maturities thereof shall be payable on each March 1 and September 1, beginning September 1, 2016, until payment of such principal sum.

The aggregate principal amount of the 2016A Bonds and the maturity schedule of the 2016A Bonds may be adjusted by the Chief Financial Officer of the City to the extent necessary to effect the refunding of all or a portion of the 2009A Bonds, the 2009F Bonds, the 2012A Bonds and the 2012B Bonds for which the 2016A Bonds are being issued, provided that the aggregate principal amount of the 2016A Bonds shall not exceed \$140,000,000, and the interest rates on the 2016A Bonds shall not result in an all-in true interest cost in excess of 3.50%. The final principal amount of each maturity of the 2016A Bonds shall be as set forth in the Final Official Statement (hereinafter defined).

Pursuant to said order there shall also be issued bonds designated “General Obligation Refunding Bonds, Series 2016B (Taxable)” (the “2016B Bonds” and, together with the 2016A Bonds, the “Bonds”) and dated the date of delivery thereof. Initially, the 2016B Bonds shall be issued in the aggregate principal amount of \$16,150,000 and stated to mature (subject to adjustment as hereinafter provided) annually, September 1, \$710,000 2016, \$3,160,000 2019, \$3,010,000 2020, \$5,100,000 2021 and \$4,170,000 2022, and shall bear interest at a rate or rates to be determined by the Commission at the time the 2016B Bonds are sold, which interest to the respective maturities thereof shall be payable on each March 1 and September 1, beginning September 1, 2016, until payment of such principal sum.

The aggregate principal amount of the 2016B Bonds and the maturity schedule of the 2016B Bonds may be adjusted by the Chief Financial Officer of the City to the extent necessary to effect the refunding of all or a portion of the 2004B Bonds, the 2007 Bonds, the 2009C Bonds and the 2009G Bonds for which the 2016B Bonds are being issued, provided that the aggregate principal amount of the 2016B Bonds shall not exceed \$20,000,000, and the interest rates on the 2016B Bonds shall not result in an all-in true interest cost in excess of 3.50%. The final principal amount of each maturity of the 2016B Bonds shall be as set forth in the Final Official Statement.

In the event that the Chief Financial Officer of the City determines, in consultation with the Commission, that it is in the best interests of the City to do so, the Chief Financial Officer may direct, prior to or on the date of sale of the Bonds as hereinafter provided, that any consecutive maturities of the Bonds may be combined into term bonds maturing on one date,

subject to mandatory sinking fund redemption on the September 1 otherwise specified above as a maturity date. If the Chief Financial Officer so determines, the Final Official Statement shall specify the revised maturity schedule for the Bonds and set forth the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption.

If, on or before the date of sale of the Bonds, the Chief Financial Officer of the City shall determine that it is in the best economic interests of the City to modify the Bonds to provide for additional series or subseries, the Chief Financial Officer is hereby authorized to take all necessary action to achieve such modification, including, but not limited to the modification of the form of the Bonds included herein. Such modification will be evidenced by the City's execution and delivery of the Bonds.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the City hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the City may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of

the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Chief Financial Officer of the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified securities depository to replace DTC, the City will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the City fails to identify another qualified securities depository to replace DTC, the City shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the City may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk or any Deputy City Clerk of the City and the official seal or a facsimile of the official seal of the City shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Commission to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as hereinafter provided.

In case any officer of the City or the Commission whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

Except as provided in Section 4 hereof, the Bonds and the endorsements thereon shall be in substantially the following form:

No. R[A][B]-.....

\$.....

United States of America
State of North Carolina
County of Wake

CITY OF RALEIGH, NORTH CAROLINA
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016[A][B]
[(TAXABLE)]

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
September 1, 20__	____%	_____

The City of Raleigh, a municipal corporation in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Chief Financial Officer of said City (the “Bond Registrar”), in Raleigh, North Carolina, the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is March 1 or September 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on each March 1 and September 1, beginning September 1, 2016, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of said City; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company, Jersey City, New Jersey (“DTC”), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said City are hereby irrevocably pledged.

This bond is one of an issue of bonds designated “General Obligation Refunding Bonds, Series 2016[A][B] [(Taxable)]” (the “Bonds”) and issued by said City for the purpose of providing

funds for refunding certain outstanding general obligation bonds of said City. The Bonds are issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order adopted by the City Council of said City, which order has taken effect, and a resolution duly passed by said City Council (the "Resolution").

[2016A Bonds: The Bonds maturing on or prior to September 1, 2026 are not subject to optional redemption prior to their maturities. The Bonds maturing on September 1, 2027 and thereafter will be subject to redemption prior to their maturities, at the option of said City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than September 1, 2026, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.]

[2016B Bonds: The Bonds are not subject to optional redemption prior to their maturities.]

[Mandatory sinking fund redemption provisions to be inserted if any Bonds designated as term bonds.]

[If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as said City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with The Depository Trust Company, Jersey City, New Jersey ("DTC"), is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as said City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of said City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption [other than a notice of mandatory sinking fund redemption] may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.]

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said City for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the

mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said City sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said City, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Raleigh, North Carolina, by resolution duly passed by its City Council, has caused this bond to be manually signed by the Mayor and the City Clerk of said City and its official seal to be impressed hereon, all as of the ____ day of March, 2016.

[Do not sign] _____
Mayor

[SEAL]

[Do not sign] _____
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Do not sign] _____
Secretary of the Local Government
Commission of North Carolina

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

[Do not sign] _____

Chief Financial Officer, as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration of enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The 2016A Bonds maturing on or prior to September 1, 2026 and the 2016B Bonds are not subject to optional redemption prior to their maturities. The 2016A Bonds maturing on September 1, 2027 and thereafter will be subject to redemption prior to their maturities, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than September 1, 2026, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If, on or before the date of sale of the Bonds, the Chief Financial Officer of the City shall determine that it is in the best economic interests of the City to modify the redemption provisions set forth herein, the Chief Financial Officer is hereby authorized to take all necessary action to achieve such modification, including, but not limited to the modification of the form of the

Bonds included herein. Such modification of the redemption provisions will be evidenced by the City's execution and delivery of the Bonds.

If the Chief Financial Officer determines that it is in the best interests of the City that any of the Bonds be designated as term bonds subject to mandatory sinking fund redemption as provided in Section 2, the Bonds so designated shall be subject to mandatory sinking fund redemption on each September 1 as designated by the Chief Financial Officer. Upon such an occurrence, the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption shall be set forth in the Final Official Statement pursuant to Section 2.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with DTC, is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as the City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of the City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption, other than any notice of a mandatory sinking fund redemption, may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event

that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to such redemption date.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the City upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The City or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the City or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The City shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Chief Financial Officer of the City, or any person at anytime acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively, the "Bond Registrar"), subject to the right of the City Council of the City to appoint another Bond Registrar, and as such shall keep at his office in the City, the books of the City for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. Wells Fargo Bank, National Association and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriters") have proposed to purchase the Bonds for reoffering to the public. There has been presented to the City Council the form of the Bond Purchase Agreement, to be dated the date of delivery thereof (the "Bond Purchase Agreement"), among the City, the Commission and the Underwriters of the Bonds. The Bond Purchase Agreement is hereby approved and the Mayor, the City Manager and the Chief Financial Officer of the City are each hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the City with such additions, deletions and changes as they deem necessary. The Bonds may be sold to the Underwriters at a discount of not more than 1% of the initial offering prices thereof. The Chief Financial Officer is hereby authorized to select underwriters in addition to Wells Fargo Bank, National Association and Merrill Lynch, Pierce, Fenner & Smith Incorporated to participate in the underwriting of the Bonds.

Section 7. The City covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code

of 1986 (the “Code”), as amended or as may be amended from time to time, and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the 2016A Bonds will not be included in gross income of the owners of the 2016A Bonds for purposes of federal income tax.

Section 8. All actions of the Mayor, the City Manager, the Chief Financial Officer, the Manager of Treasury Services, the Debt Manager and the City Clerk of the City in applying to the Commission to sell the Bonds to the Underwriters is hereby ratified and confirmed, and the Commission is hereby requested to sell the Bonds by private sale.

Section 9. The preparation of a Preliminary Official Statement, to be dated on or about February 8, 2016 (the “Preliminary Official Statement”), in substantially the form presented at this meeting, and the distribution thereof by the Underwriters, is hereby authorized and approved and a final Official Statement (the “Final Official Statement”), which will be in the form of the Preliminary Official Statement, but will include certain pricing and other information, is hereby approved, and the Mayor, the City Manager and the Chief Financial Officer of the City are each hereby authorized to execute and deliver such Final Official Statement for and on the behalf of the City, and such execution and delivery shall be conclusive evidence of the approval of the City Council of the Final Official Statement.

Section 10. The City hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2016, audited financial statements of the City for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such fiscal year, unaudited financial statements of the City for such fiscal year to be replaced subsequently by audited financial statements of the City to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2016, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings “THE CITY – Debt Information and – Tax Information” (excluding any information on underlying units) in Appendix A to the Final Official Statement relating to the Bonds and (ii) the combined budget of the City for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds, if material;
- (8) bond calls, other than calls for mandatory sinking fund redemption, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City; and
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a trustee or a successor or additional trustee or the change of name of a trustee, if material; and

(d) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City may meet the continuing disclosure filing requirements described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

If the City fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure

to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The City reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the City (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the City makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 11. U.S. Bank National Association is hereby appointed as escrow agent (the “Escrow Agent”) in connection with the refunding of the bonds to be refunded as mentioned in Section 12 below, subject to the right of the City Council of the City to appoint another escrow agent as provided in the Escrow Deposit Agreements (hereinafter mentioned). The Escrow Deposit Agreements, each to be dated as of March 1, 2016 (the “Escrow Deposit Agreements”), between the City and the Escrow Agent, in substantially the form presented at this meeting, and the creation of the Escrow Funds thereunder and the other arrangements to accomplish such refunding, is hereby approved, and the Mayor, the City Manager, the Chief Financial Officer and the City Clerk of the City are each hereby authorized to execute and deliver the Escrow Deposit Agreements for and on behalf of the City with such additions, deletions and changes as they deem necessary.

Section 12. Subject to the next succeeding sentence, the City hereby determines to refund (a) \$1,405,000 of the City’s outstanding 2004B Bonds maturing April 1, 2017, (b) \$3,500,000 of the City’s outstanding 2007 Bonds maturing March 1, 2021, 2024 and 2027, (c) \$5,580,000 of

the City's outstanding 2009A Bonds maturing February 1, 2020 to 2029, inclusive, (d) \$5,000,000 of the City's outstanding 2009C Bonds maturing February 1, 2020 to 2024, inclusive, and 2029, (e) 36,965,000 of the City's outstanding 2009F Bonds maturing February 1, 2020 to 2029, inclusive, (f) \$5,500,000 of the City's outstanding 2009G Bonds maturing February 1, 2020 to 2030, inclusive, (g) \$6,000,000 of the City's outstanding 2012A Bonds maturing April 1, 2023 to 2032, inclusive, and (h) \$91,600,000 of the City's outstanding 2012B Bonds maturing April 1, 2023 to 2032, inclusive. If, on or prior to the sale date of the Bonds, the Chief Financial Officer of the City shall determine that it is in the best economic interests of the City not to refund all or any portion of such bonds or to refund any additional outstanding bonds of each such series, the Chief Financial Officer is hereby authorized to make changes in the amounts and maturities of such bonds of each series to be refunded, such changes to be set forth in the notices of redemption for the bonds to be refunded and the Escrow Deposit Agreements, as applicable.

Subject to the issuance of the Bonds to refund such bonds in accordance with this Section, (a) all of the City's outstanding 2004B Bonds to be refunded by the Bonds are hereby called for redemption on or about March 22, 2016 at a redemption price equal to 100% of the principal amount of such 2004B Bonds to be redeemed, (b) all of the City's outstanding 2007 Bonds to be refunded by the Bonds are hereby called for redemption on March 1, 2017 at a redemption price equal to 100% of the principal amount of such 2007 Bonds to be redeemed, (c) all of the City's outstanding 2009A Bonds to be refunded by the Bonds are hereby called for redemption on February 1, 2019 at a redemption price equal to 100% of the principal amount of such 2009A Bonds to be redeemed, (d) all of the City's outstanding 2009C Bonds to be refunded by the Bonds are hereby called for redemption on February 1, 2019 at a redemption price equal to 100% of the principal amount of such 2009C Bonds to be redeemed, (e) all of the City's outstanding 2009F Bonds to be refunded by the Bonds are hereby called for redemption on February 1, 2019 at a redemption price equal to 100% of the principal amount of such 2009F Bonds to be redeemed, (f) all of the City's outstanding 2009G Bonds to be refunded by the Bonds are hereby called for redemption on February 1, 2019 at a redemption price equal to 100% of the principal amount of such 2009G Bonds to be redeemed, (g) all of the City's outstanding 2012A Bonds to be refunded by the Bonds are hereby called for redemption on April 1, 2022 at a redemption price equal to 100% of the principal amount of such 2012A Bonds to be redeemed and (h) all of the City's outstanding 2012B Bonds to be refunded by the Bonds are hereby called for redemption on April 1, 2022 at a redemption price equal to 100% of the principal amount of such 2012B Bonds to be redeemed. The Chief Financial Officer is hereby directed to provide notices of such redemptions at the times and in the manner set forth in the resolutions authorizing the issuance of said bonds and the Escrow Deposit Agreements, as applicable.

Section 13. The Mayor, the City Manager, the Chief Financial Officer, the Manager of Treasury Services, the Debt Manager and the City Clerk of the City are hereby authorized and directed to execute and deliver such closing and other documents necessary for the purpose of facilitating the sale and issuance of the Bonds in a manner consistent with the terms of this resolution.

Section 14. The City Manager, the Chief Financial Officer, the Manager of Treasury Services and the Debt Manager are each hereby authorized to administratively amend the City's

annual budget in order to provide the amounts necessary to pay debt service and other payments with respect to the Bonds in carrying out the provisions of this resolution.

Section 15. This resolution shall take effect upon its passage, except for Section 13 of this resolution which shall become effective only upon the issuance of the Bonds.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$140,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016A AND \$20,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B (TAXABLE)” was passed by the following vote:

Ayes: _____

Noes: _____

Thereupon, _____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

Resolution No. (2016)-____

**RESOLUTION PROVIDING FOR THE ISSUANCE OF \$6,000,000
GENERAL OBLIGATION HOUSING BONDS, SERIES 2016C
(TAXABLE)**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Raleigh, North Carolina (the “City”):

Section 1. The City Council has determined and does hereby find and declare as follows:

(a) An order authorizing \$16,000,000 Housing Bonds was adopted by the City Council of the City on August 2, 2011, which order was approved by the vote of a majority of the qualified voters of the City who voted thereon at a referendum duly called and held on October 11, 2011.

(b) \$10,000,000 of said bonds have heretofore been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue \$6,000,000 of said bonds at this time.

(c) The maximum period of usefulness of the public improvements to be provided with the proceeds of said bonds for housing improvements is estimated as a period of forty (40) years from March 2, 2016, the date of such bonds authorized hereby, and that such period expires on March 2, 2056.

Section 2. Pursuant to said order there shall be issued bonds of the City in the aggregate principal amount of \$6,000,000 designated “General Obligation Housing Bonds, Series 2016C (Taxable)” and dated the date of delivery thereof (the “Bonds”). The Bonds shall be stated to mature annually, February 1, \$300,000 2017 to 2036, inclusive; and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina (the “Commission”) at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on each February 1 and August 1, beginning August 1, 2016, until payment of such principal sum.

The City reserves the right to decrease the aggregate principal amount of the Bonds and adjust the principal amount of each maturity of the Bonds in the manner set forth in the Notice of Sale relating to the Bonds, subject to the limitations set forth in Section 159-65 of the General Statutes of North Carolina, as amended, and provided that the aggregate principal amount of the Bonds shall not exceed \$6,000,000. The final aggregate principal amount of the Bonds and the final principal amount of each maturity of the Bonds shall be as set forth in the Final Official Statement (hereinafter defined).

In the event that the Chief Financial Officer of the City determines, in consultation with the Commission, that it is in the best interests of the City to do so, the Chief Financial Officer may direct, prior to or on the date of sale of the Bonds as hereinafter provided, that any consecutive maturities of the Bonds may be combined into term bonds maturing on one date, subject to mandatory sinking fund redemption on the February 1 otherwise specified above as a maturity date. If the Chief Financial Officer so determines, the Final Official Statement shall specify the revised maturity schedule for the Bonds and set forth the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, Jersey City, New Jersey (“DTC”), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable

to Cede & Co. or any other person appearing on the registration books of the City hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the City may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Chief Financial Officer of the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified securities depository to replace DTC, the City will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the City fails to identify another qualified securities depository to replace DTC, the City shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof (“Certificated Bonds”) in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the City may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Mayor and the City Clerk or any Deputy City Clerk of the City and the official seal or a facsimile of the official seal of the City shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Commission to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the City or the Commission whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following form:

No. RC-___ \$_____

United States of America
State of North Carolina

CITY OF RALEIGH
GENERAL OBLIGATION HOUSING BOND, SERIES 2016C (TAXABLE)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
February 1, 20___	_____%	_____

The City of Raleigh, a municipal corporation in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Chief Financial Officer of said City (the "Bond Registrar"), in Raleigh, North Carolina, the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from February 1 or August 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is February 1 or August 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on each February 1 and August 1, beginning August 1, 2016, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears

on the bond registration books of said City; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company, Jersey City, New Jersey (“DTC”), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said City are hereby irrevocably pledged.

This bond is one of an issue of bonds designated “General Obligation Housing Bonds, Series 2016C (Taxable)” (the “Bonds”) and issued by said City for the purpose of providing funds, with any other available funds, for housing improvements, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order adopted by the City Council of said City, which order was approved by the vote of a majority of qualified voters who voted thereon at a referendum duly called and held, and a resolution duly passed by said City Council (the “Resolution”).

The Bonds maturing on or prior to February 1, 2026 are not subject to optional redemption prior to their maturities. The Bonds maturing on February 1, 2027 and thereafter will be subject to redemption prior to their maturities, at the option of said City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than February 1, 2026, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

[Mandatory sinking fund redemption provisions to be inserted if any Bonds designated as term bonds.]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot of said City in such manner as said City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with The Depository Trust Company, Jersey City, New Jersey (“DTC”), is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as said City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing

upon the registration books of said City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise prescribed by DTC. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption [other than a notice of mandatory sinking fund redemption] may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said City for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said City sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said City, including this bond, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Raleigh, North Carolina, by resolution duly passed by its City Council, has caused this bond to be manually signed by the Mayor and the City Clerk of said City and its official seal to be impressed hereon, all as of the ____ day of March, 2016.

[Do not sign] _____
Mayor

[SEAL]

[Do not sign] _____
City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Do not sign] _____
Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

[Do not sign] _____
Chief Financial Officer, as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____,

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration of enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing on or prior to February 1, 2026 are not subject to redemption prior to their maturities. The Bonds maturing on February 1, 2027 and thereafter will be subject to redemption prior to their maturities, at the option of said City, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than February 1, 2026, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If, on or before the date of sale of the Bonds, the Chief Financial Officer of the City shall determine that it is in the best economic interests of the City to modify the redemption provisions set forth herein, the Chief Financial Officer is hereby authorized to take all necessary action to achieve such modification, including, but not limited to the modification of the form of the Bonds included herein. Such modification of the redemption provisions will be evidenced by the City's execution and delivery of the Bonds.

If the Chief Financial Officer determines that it is in the best interests of the City that any of the Bonds be designated as term bonds subject to mandatory sinking fund redemption as provided in Section 2, the Bonds so designated shall be subject to mandatory sinking fund redemption on each February 1 as designated by the Chief Financial Officer. Upon such an occurrence, the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption shall be set forth in the Final Official Statement pursuant to Section 2.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot of the City in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as the City may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the City shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of the City, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be

redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the Bonds or portions thereof called for redemption as well as the interest accruing thereon to such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to such redemption date.

Any notice of redemption, other than any notice of a mandatory sinking fund redemption, may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same

maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the City upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The City or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the City or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the redemption premium, if any, and interest thereon, to the extent of the sum or sums so paid.

The City shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Chief Financial Officer of the City, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the City Council of the City to appoint another Bond Registrar, and as such shall keep at his office in the City, the books of the City for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The action of the Mayor, the City Manager, the Chief Financial Officer, the Manager of Treasury Services, the Debt Manager and the City Clerk of the City in applying to

the Commission to advertise and sell the Bonds is hereby approved, ratified and confirmed, and the Commission is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement relating to the sale of the Bonds. The preparation of such Preliminary Official Statement, to be dated the date of delivery thereof, in substantially the form of the Preliminary Official Statement for the City's General Obligation Refunding Bonds, Series 2016A and General Obligation Refunding Bonds, Series 2016B (Taxable), is hereby ratified and approved.

The preparation of a Final Official Statement (the "Final Official Statement"), which will be in the form of the Preliminary Official Statement, but will include certain pricing and other information to be made available to the successful bidder for the Bonds by the Local Government Commission of North Carolina, is hereby approved, and the Mayor, the City Manager and the Chief Financial Officer of the City are hereby authorized to execute and deliver such Final Official Statement for and on the behalf of the City, and such execution shall be conclusive evidence of the approval of the City Council of the Final Official Statement.

Section 7. The City hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the "MSRB"):

(a) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2016, audited financial statements of the City for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such fiscal year, unaudited financial statements of the City for such fiscal year to be replaced subsequently by audited financial statements of the City to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the City, beginning with the fiscal year ending June 30, 2016, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings "THE CITY – Debt Information" and "– Tax Information" (excluding any information on underlying units) in Appendix A to the Final Official Statement relating to the Bonds and (ii) the combined budget of the City for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner not in excess of ten business day after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds, if material;
- (8) bond calls, other than calls for mandatory sinking fund redemption, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a trustee or a successor or additional trustee or the change of name of a trustee, if material; and

(d) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City may meet the continuing disclosure filing requirements described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

If the City fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The City reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the City (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the City makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 8. The Mayor, the City Clerk, the City Manager, the Chief Financial Officer, the Manager of Treasury Services and the Debt Manager of the City are hereby authorized and directed to execute and deliver such closing and other documents necessary for the purpose of facilitating the sale and issuance of the Bonds in a manner consistent with the terms of this resolution.

Section 9. The City Manager, the Chief Financial Officer, the Manager of Treasury Services and the Debt Manager are each hereby authorized to administratively amend the City’s annual budget in order to provide the amounts necessary to pay debt service and other payments with respect to the Bonds in carrying out the provisions of this resolution.

Section 10. This resolution shall take effect upon its passage.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF \$6,000,000 GENERAL OBLIGATION HOUSING BONDS, SERIES 2016C (TAXABLE)” was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Gail G. Smith, City Clerk of the City of Raleigh, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the City Council of said City at a regular meeting held on January 19, 2016, as relates in any way to the passage of the foregoing resolutions and the adoption of the foregoing order authorizing general obligation bonds of said City and that said proceedings are recorded in the minutes of said City Council.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said City 19th day of January, 2016.

City Clerk

[SEAL]

**CITY OF RALEIGH, NORTH CAROLINA
 SWORN STATEMENT OF DEBT MADE PURSUANT TO THE
 LOCAL GOVERNMENT BOND ACT, AS AMENDED**

I, Perry E. James, III, Chief Financial Officer of the City of Raleigh, North Carolina, having been designated by the City Council of said City to make and file with the City Clerk a statement of the debt of said City pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY that the following is a true statement as shown by the books in my office, not taking into consideration any debt incurred or to be incurred in anticipation of the collection of taxes or other revenues or in anticipation of the sale of bonds other than funding and refunding bonds:

(a) GROSS DEBT

a(1) Outstanding general obligation debt evidenced by bonds as of December 31, 2015:

<u>DATE</u>	<u>ISSUE</u>	<u>AMOUNT</u>
June 1, 1996	Housing, Series 1996	\$ 115,000
March 1, 2004	Public Improvement Refunding, Series 2004A	2,465,000
March 1, 2004	Housing, Series 2004B	1,405,000
March 1, 2007	Housing, Series 2007	4,200,000
March 10, 2009	Public Improvement, Series 2009A	7,800,000
March 11, 2009	Public Improvement Refunding, Series 2009B	2,980,000
March 11, 2009	Housing, Series 2009C	7,000,000
July 28, 2009	Refunding, Series 2009D	20,630,000
July 28, 2009	Refunding, Series 2009E	10,745,000
September 3, 2009	Public Improvement, Series 2009F	46,165,000
September 3, 2009	Housing, Series 2009G	7,500,000
October 27, 2011	Refunding, Series 2011A	32,055,000
May 15, 2012	Public Improvement, Series 2012A	8,100,000
May 16, 2012	Public Improvement, Series 2012B	124,500,000
June 26, 2014	Public Improvement, Series 2014	14,300,000
June 24, 2015	Street Improvement, Series 2015A	5,050,000
June 25, 2015	Parks and Recreational Facilities, Series 2015B	20,000,000
June 25, 2015	Housing, Series 2015C	<u>10,000,000</u>
	Subtotal	<u>\$325,010,000</u>

a(2) Bonds authorized by orders introduced on January 19, 2016, but not yet adopted:

Refunding Bonds	<u>\$160,000,000</u>
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a(3) Unissued bonds authorized by adopted orders:

Transportation Bonds (2011)	\$20,000,000
Housing Bonds (2011)	6,000,000
Transportation Bonds (2013)	75,000,000

Parks and Recreational Facilities Bonds (2014)	<u>71,775,000</u>
Subtotal	<u>\$172,775,000</u>
a(4) Outstanding debt, not evidenced by bonds:	\$ <u>0</u>
(a) GROSS DEBT, being the sum of a(1), a(2), a(3) and a(4):	<u>\$657,785,000</u>
(b) DEDUCTIONS	
b(1) Funding and refunding bonds authorized by orders introduced but not yet adopted:	<u>\$160,000,000</u>
b(2) Funding and refunding bonds authorized but not yet issued:	\$ <u>0</u>
b(3) The amount of money held in sinking funds or otherwise for the payment of any part of the principal of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent that the bonds are deductible under G.S. 159-55(b)):	\$ <u>0</u>
b(4) Bonded debt included in gross debt and incurred, or to be incurred, for water, gas, electric light or power purposes:	\$ <u>560,753</u>
b(5) Bonded debt included in gross debt and incurred, or to be incurred, for sanitary sewer system purposes (to the extent that said debt is made deductible by G.S. 159-55(b)):	\$ <u>0</u>
b(6) Uncollected special assessments heretofore levied for local improvements for which any part of the gross debt (that is not otherwise deducted) was or is to be incurred to the extent that such assessments will be applied, when collected, to the payment of any part of the gross debt:	<u>\$1,702,007</u>
b(7) The amount, as estimated by the Chief Financial Officer, of special assessments to be levied for local improvements for which any part of the gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments, when collected, will be applied to the payment of any part of the gross debt:	\$ <u>0</u>
(b) DEDUCTIONS, being the sum of b(1), b(2), b(3), b(4), b(5), b(6) and b(7):	<u>\$162,262,760</u>
(c) NET DEBT	
(c) NET DEBT, being the difference between the GROSS DEBT (a) and the DEDUCTIONS (b):	<u>\$495,522,240</u>

