

Mayor Vaughan introduced the following resolution, which was read by title and summarized by the Finance Director:

**RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF NOT EXCEEDING \$72,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

**BE IT RESOLVED** by the City Council of the City of Greensboro:

Section 1. The City Council has determined and does hereby find, declare and represent:

(a) That an order authorizing \$22,500,000 General Obligation Refunding Bonds was adopted by the City Council of the City of Greensboro (the “City”) on August 16, 2016, which order has taken effect.

(b) That none of the bonds mentioned in paragraph (a) of this Section 1 has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds, and that it is necessary to issue at this time not exceeding \$22,500,000 principal amount of said bonds in accordance with the provisions of Section 2 of this resolution.

(c) That the shortest period of time in which the debt of said City to be refunded by the issuance of 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 “LGC”), is a period which expires on February 1, 2025.

(d) That orders authorizing not exceeding \$24,500,000 Fire Station Bonds, \$8,600,000 Library Facilities Bonds, \$5,000,000 Parks and Recreational Facilities Bonds and \$10,000,000 Economic Development Bonds of the City were adopted by the City Council on July 31, 2006, which orders were approved by a vote of the majority of the qualified voters of the

City who voted thereon at a referendum duly called and held on November 7, 2006, and that an order adopted by the City Council on February 7, 2012 authorized an extension of the maximum period of time to issue said bonds to November 7, 2016.

(e) That \$12,021,583 of the Fire Station Bonds, \$7,371,667 of the Library Facilities Bonds and \$6,000,000 of the Economic Development Bonds mentioned in subsection (d) of this Section 1 have been heretofore issued, and none of the Parks and Recreational Facilities Bonds mentioned in subsection (d) of this Section 1 have been heretofore issued.

(f) That \$22,330,000 principal amount of notes have been issued as part of an issue of General Obligation Public Improvement Bond Anticipation Note, Series 2014 (the “2014 Note”), dated March 18, 2014 and maturing November 1, 2016, and are outstanding in anticipation of the receipt of the proceeds of the sale of \$12,330,000 authorized but unissued Fire Station Bonds, \$1,000,000 authorized but unissued Library Facilities Bonds, \$5,000,000 authorized but unissued Parks and Recreational Facilities Bonds and \$4,000,000 authorized but unissued Economic Development Bonds.

(g) That orders authorizing not exceeding \$134,000,000 Streets Bonds, \$20,000,000 Parks and Recreational Facilities Bonds and \$1,000,000 Housing Bonds of the City were adopted by the City Council on July 16, 2008, which orders were 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 November 4, 2008, and that an order adopted by the City Council on February 4, 2014 authorized an extension of the maximum period of time to issue said bonds to November 4, 2018.

(h) That \$7,919,400 of the Streets Bonds and \$13,525,200 of the Parks and Recreational Facilities Bonds mentioned in subsection (g) of this Section 1 have been heretofore issued, and none of the Housing Bonds mentioned in subsection (g) of this Section 1 have been heretofore issued.

(i) That \$25,480,000 principal amount of notes have been issued as part of the 2014 Note, and are outstanding in anticipation of the receipt of the proceeds of the sale of \$23,060,000 authorized but unissued Street Bonds, \$1,420,000 authorized but unissued Parks and Recreational Facilities Bonds and \$1,000,000 authorized but unissued Housing Bonds.

(j) That an order authorizing not exceeding \$20,000,000 principal amount of Natural Science Center Bonds of the City was adopted by the City Council of the City on June 16, 2009, 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 November 3, 2009.

(k) That \$9,892,150 of the Natural Science Center Bonds mentioned in (j) above have been heretofore issued.

(l) That \$2,190,000 principal amount of notes have been issued as part of the 2014 Note, and are outstanding in anticipation of the receipt of the proceeds of the sale of \$2,190,000 authorized but unissued Natural Science Center Bonds.

(m) That it is necessary at this time to issue an additional not to exceed \$12,330,000 of the Fire Station Bonds, \$1,000,000 of the Library Facilities Bonds, \$5,000,000 of the Parks and Recreational Facilities Bonds and \$4,000,000 of the Economic Development Bonds mentioned in subsection (d) above, an additional not to exceed \$23,060,000 of the Street Bonds,

\$1,420,000 of the Parks and Recreational Facilities Bonds and \$1,000,000 of the Housing Bonds mentioned in subsection (g) above and an additional not to exceed \$2,190,000 of the Natural Science Center Bonds mentioned in subsection (j) above, for the purpose of redeeming prior to the maturity date of the 2014 Note the outstanding 2014 Note, which is outstanding in the principal amount of \$50,000,000.

(n) That the weighted average of the maximum periods of usefulness of the improvements to be financed with the proceeds of the bonds to be issued as described in subsection (m) above is estimated as a period of at least twenty-one (21) years from October \_\_, 2016, the scheduled date of delivery of the bonds to be issued as hereinafter provided, and that such period expires on October \_\_, 2037.

(o) That it is desirable to consolidate for the purpose of their issuance and sale said bonds to be issued as mentioned in subsection (b) of this Section 1 and said bonds to be issued as mentioned in subsection (m) of this Section 1 into a single issue of bonds, to be designated "General Obligation Refunding Bonds, Series 2016", as hereinafter provided.

Section 2. Pursuant to said orders, there shall be issued bonds of the City in the aggregate principal amount of not exceeding \$72,500,000, designated "General Obligation Refunding Bonds, Series 2016" and dated the date of delivery (the "Bonds"). The exact amount of Bonds to be issued shall be determined by the Finance Director or City Manager of the City at the time the Bonds are sold pursuant to the Bond Purchase Agreement (hereinafter defined) as provided in Section 8 hereof and shall be in an amount sufficient, together with other available funds of the City, to (a) refund all or a portion of the City's General Obligation Public Improvement Bonds, Series 2006 and General Obligation Public Improvement Bonds, Series

2008A, as determined by the Finance Director or the City Manager of the City, (b) refund all of the outstanding 2014 Note, and (c) pay certain other costs and expenses incurred in connection with the sale and issuance of the Bonds. Subject to the provisions of this Resolution, the Bonds shall (a) mature on February 1 in such years and in such amounts, and (b) shall bear interest at a rate or rates to be determined by the LGC, with the approval of the Finance Director or City Manager of the City, at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on February 1, 2017 and semiannually thereafter on February 1 and August 1 of each year until payment of such principal sum.

Any portion of the Bonds may be issued as term Bonds (the "Term Bonds") subject to mandatory redemption on February 1 in the years and amounts as set forth in the final Official Statement (hereinafter defined), as determined by the Finance Director or the City Manager of the City in his or her sole discretion after consultation with the LGC. The Finance Director or the City Manager may do all things necessary or desirable, including modification of the form of the Bonds set forth in Section 3 of this resolution and modification of the redemption provisions set forth in Section 4 of this resolution, in order to provide for the issuance of Term Bonds hereunder.

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 lawful money of the United States of America on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), or such other name as may be requested by an authorized representative of DTC, will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of \$5,000 or any 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 the 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 the 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. 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 will 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 Finance Director 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 will deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any 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 or City Manager and the City Clerk or Deputy City Clerk of the City and the corporate seal or a

facsimile of the corporate seal of the City shall be impressed or printed, as the case may be, on the Bonds.

The certificate of the LGC to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of the LGC or any assistant designated by him, 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 LGC 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. or any other nominee designated by an authorized representative of DTC and the endorsements thereon shall be in substantially the following form:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK



CORPORATION (“DTC”), TO CITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- .....

\$.....

United States of America

State of North Carolina  
County of Guilford

CITY OF GREENSBORO  
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
February 1, 20..	.....%	.....

The City of Greensboro, North Carolina (the “City”), a municipal corporation located in the County of Guilford, 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 Finance Director of the City (the “Bond Registrar”),

which, as of the date hereof, is located at 300 West Washington Street, Greensboro, North Carolina 27401, the principal sum of

.....DOLLARS

and to pay interest on such principal sum from the date hereof or from the February 1 or August 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a 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 on February 1, 2017 and semiannually thereafter on February 1 and August 1 in each year, 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 the City. Both the principal of and the interest on this Bond shall be paid in any lawful money of the United States of America 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 the City are hereby irrevocably pledged.

This bond is one of an issue of bonds designated “General Obligation Refunding Bonds, Series 2016” (the “Bonds”) and issued by the City for the purpose of providing funds, together with any other available funds, for refunding a portion of the City’s outstanding General Obligation Public Improvement Bonds, Series 2006, dated February 1, 2006, and General

Obligation Public Improvement Bonds, Series 2008A, dated January 29, 2008, and all of the City's outstanding General Obligation Public Improvement Bond Anticipation Note, Series 2014, dated March 18, 2014, and paying related costs, 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, orders adopted by the City Council of the City, each of which 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, or which orders have otherwise taken effect, and a resolution duly adopted by said City Council on August 16, 2016 (the "Resolution").

The Bonds maturing on or prior to \_\_\_\_\_ are not subject to redemption prior to maturity. The Bonds maturing on \_\_\_\_\_ and thereafter may be redeemed, 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 \_\_\_\_\_, at a redemption price equal to \_\_\_\_% of the principal amount of Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption.

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 and, further, that so long as a book-entry system with The Depository Trust Company ("DTC") is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct

participant in the Bonds to be redeemed. If less than all of the Bonds are called for redemption, the City shall determine the maturities and amounts thereof to be redeemed.

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 given by certified or registered mail to Cede & Co., the nominee of DTC, or such other person as shall be requested by an authorized representative at DTC, at its address appearing upon the registration books of the City. 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, plus accrued interest to such date, and, if moneys for payment of such redemption price and the accrued interest have been deposited by the City 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 may state that the redemption to be effected is conditioned on receipt by the Bond Registrar on or before the redemption date of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Bond Registrar on or before the redemption date, the redemption shall not be made and the Bond Registrar will 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 and the redemption will not take place.

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 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. The 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, the City will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any 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.

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 the City of Greensboro sufficient to pay the principal of and the interest on this Bond as the same shall become due; and that the total indebtedness of the 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, by resolution duly adopted by its City Council, has caused this bond [to be manually signed by] [to bear the facsimile signatures of] its [Mayor] [City Manager] and its [Deputy] City Clerk and [a facsimile of] its corporate seal to be [printed] [impressed] hereon, all as of the       day of       , 2016.

\_\_\_\_\_  
[Mayor/City Manager]

\_\_\_\_\_  
[Deputy] 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.

\_\_\_\_\_  
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.

\_\_\_\_\_  
Finance Director of the City of  
Greensboro, North Carolina,  
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.

Date: \_\_\_\_\_

Signature Guaranteed:

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

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

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. Any portion of the Bonds may be subject to redemption prior to maturity, at the option of the City, from any moneys that may be made available for such purpose, either in whole or in part, on the dates and at the redemption prices set forth in the Official Statement (hereinafter defined), as determined by the Finance Director or the City Manager of the City in his or her sole discretion after consultation with the LGC.

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 and, further, that 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 a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed. If less than all of the Bonds of are called for redemption, the City shall determine the maturities and amounts thereof to be redeemed.

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 at 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. 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 may state that the redemption to be effected is conditioned on receipt by the Bond Registrar on or before the redemption date of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Bond Registrar on or before the redemption date, the redemption shall not be made and the Bond Registrar will 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 and the redemption will not take place.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the redemption price of the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof

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, have been deposited by the City to be held 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 to the date of redemption.

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 redemption price thereof, 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 cancelled 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.

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 of and interest on the Bonds. The Finance Director of the City is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"),

subject to the right of the governing body of the City to appoint another Bond Registrar, and as such shall keep at his office 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 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, as amended, except to the extent that the City obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

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”) through the Electronic Municipal Market Access (EMMA) system, currently located at <http://emma.msrb.org>, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”):

(a) by not later than seven months from the end of each fiscal year of the City, commencing with the fiscal year ended 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 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, commencing with the fiscal year ended 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 heading “THE CITY-Debt Information and - Tax Information” in Appendix A to the Official Statement relating to the Bonds (excluding any information on overlapping units) and (ii) the combined budget of the City for the current fiscal year, to the extent such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner not in excess of ten 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), 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) call of any of the Bonds for redemption, other than any mandatory sinking fund redemptions, if material, and tender offers;

- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material; and
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets of the business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision over substantially all of the assets or business 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 action, other than pursuant to its terms, if material; and
- (14) appointment of a successor trustee or additional trustee or the change of name of a trustee, if material.

(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 requirements described above by complying with any other procedures 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 then outstanding 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 an 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 as of the date of the 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, as determined either by parties unaffiliated with the City (such as bond counsel), or by approving vote of the registered owners of not less than a majority in principal amount of the Bonds then outstanding pursuant to the terms of this bond resolution, as it may be amended from time to time.



The City agrees that the annual financial information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendments and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 7 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 City Council deems it to be desirable for the Bonds to be issued to be sold at private sale without advertisement to Wells Fargo Bank, National Association and Loop Capital Markets, LLC (the "Underwriters") pursuant to a Bond Purchase Agreement, to be dated the date of delivery thereof (the "Bond Purchase Agreement"), among the Local Government Commission of North Carolina (the "LGC"), the City and the Underwriters, at such prices determined by the LGC, subject to the approval of the City Manager or the Finance Director, provided that (i) the final maturity of the Bonds shall be not later than February 1, 2037, (ii) the aggregate purchase price of the Bonds shall be no less than 99% of the aggregate principal amount thereof and (iii) the true interest cost of the Bonds shall not exceed 4.00%. The Mayor, the City Manager and Finance Director of the City are each hereby authorized to approve on behalf of the City the sale of the Bonds in accordance with this resolution, and the Mayor, the City Manager and the Finance Director of the City are each hereby authorized and directed in the name and on behalf of the City to execute and deliver the Bond Purchase Agreement in substantially the form presented at this meeting, together with such changes, additions and deletions as said Mayor, City Manager or Finance Director of the City, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 9. The LGC is hereby authorized to distribute a Preliminary Official Statement relating to the sale of the Bonds. Such Preliminary Official Statement, to be dated the date of delivery thereof and substantially in the form presented at this meeting, is hereby approved, and the Mayor, the City Manager and the Finance Director of the City are each hereby authorized to approve the Official Statement, in substantially the form of the Preliminary Official Statement, including changes necessary to reflect the interest rates on the Bonds, the offering prices of the Bonds, any provisions for redemption of Bonds prior to the maturity thereof and any credit enhancement for the Bonds that the Finance Director determines to be in the best interest of the City (the "Official Statement"), and to execute the Official Statement for and on behalf of the City.

Section 10. U.S. Bank National Association is hereby appointed as escrow agent in connection with the refunding of the Series 2008A Bonds to be Refunded (the "Escrow Agent"), subject to the right of the governing body of the City to appoint another Escrow Agent as provided in the Escrow Deposit Agreement hereinafter mentioned, and as such shall perform its responsibilities as provided in such Escrow Deposit Agreement. Such Escrow Deposit Agreement, to be dated the date of delivery thereof and substantially in the form of the draft thereof presented at this meeting, and the creation of an escrow fund and the other arrangements described therein to accomplish such refunding are hereby approved, and the Finance Director is hereby authorized to approve such changes in such Escrow Deposit Agreement as are necessary or desirable and to execute and deliver such Escrow Deposit Agreement and any forward purchase agreement, forward float agreement or similar arrangement entered into in connection with the contemplated refunding for and on behalf of the City. The Escrow Deposit Agreement shall provide for the Escrow Agent to call for redemption the 2008A Bonds to be Refunded on

February 1, 2018, at a redemption price equal to 100% of the principal amount of such refunded bonds, plus interest accrued on such refunded bonds to the redemption date thereof.

Section 11. Bingham Arbitrage Rebate Services, Inc. is hereby appointed as verification agent in connection with the refunding of the 2008A Bonds to be Refunded and the issuance of the Bonds.

Section 12. The Finance Director is authorized to call, or to cause to be called, for redemption the 2006 Bonds to be Refunded on the date of issuance of the Bonds or such other date as the Finance Director shall determine, at a redemption price equal to 100% of the principal amount of such refunded bonds, plus accrued interest on such refunded bonds to the redemption date thereof.

Section 13. The Finance Director is authorized to call, or cause to be called, for redemption the 2014 Note the date of issuance of the Bonds or such date as shall be determined by the Finance Director and the owner of the 2014 Note, at a redemption price equal to 100% of the principal amount of the 2014 Note then outstanding, plus accrued interest on the 2014 Note to the redemption date thereof.

Section 14. The Mayor, the City Manager and the Finance Director of the City and their designees are hereby authorized and directed to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as such officer determines to be necessary or appropriate to effectuate the issuance of the Bonds and the refunding of the bonds to be refunded and the Series 2014 Note.

Section 15. This resolution shall take effect upon its passage.

The City Attorney then announced that he had approved as to form the foregoing resolution.

Upon motion of Councilmember \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$72,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016” was passed by roll call vote as follows:

Ayes:\_\_\_\_\_

\_\_\_\_\_.

Noes:\_\_\_\_\_

\_\_\_\_\_.

Thereupon Mayor Vaughan announced that said resolution had passed by a vote of \_- to \_\_\_\_.