

COUNTY OF WAKE, NORTH CAROLINA
STATEMENT OF TOTAL ESTIMATED INTEREST PURSUANT TO THE
LOCAL GOVERNMENT BOND ACT, AS AMENDED

I, Susan McCullen, Finance Director of the County of Wake, North Carolina (the "County"), having been designated by the Board of Commissioners for the County to make and file with the Clerk to the Board a statement of total estimated interest pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY as follows:

1. On September 6, 2016, the Board of Commissioners for the County introduced a bond order authorizing the issuance by the County of not exceeding 190,000,000 General Obligation Refunding Bonds (the "Bonds").

2. If the Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the County over the expected term of the Bonds to be \$38,720,000. Such estimate is based on a number of assumptions regarding certain future events and circumstances, including the following:

(a) The Bonds will be issued in one series in the aggregate principal amount of \$161,020,000 and will mature or be payable in annual installments of principal payable annually on March 1 through 2026, excluding March 1, 2021, with principal and interest installments scheduled to achieve annual debt service following the refunding that approximates debt service prior to the refunding. The principal amount set forth assumes the Bonds will be sold at a premium reflecting current market conditions, with an interest rate that reflects such premium. Under current market conditions, the Bonds would be sold at a significant premium, resulting in the issuance of fewer Bonds, but higher interest payments on the Bonds that are issued (rather than lower interest payments on a greater principal amount of Bonds, which would reduce the total interest to be paid, but increase the total principal to be repaid).

(b) The true interest costs of the Bonds will be 1.11% and the Bonds will bear interest at interest rates of 5% per annum. Such interest rates approximate current market rates for similar type debt instruments as determined by the County's finance department in consultation with a financial advisory firm knowledgeable in the pricing of municipal securities similar to the Bonds, taking into account the estimated premium the County would expect to receive at the time of sale of the Bonds under current market conditions, assuming a true interest cost of 1.11%. Prevailing interest rates and market premium at the time the Bonds are awarded will vary based upon a variety of economic conditions.

(c) There will not be any change from the current perceived credit quality of the County. Changes in the County's perceived credit quality would have an effect on the interest rates the County is able to achieve upon sale of the Bonds.

(d) There will not be any change from the current prevailing market demand for municipal bonds in general, and bonds issued by or on behalf of North Carolina local government entities. A change in demand in general for obligations such as the Bonds would have an effect on the interest rate on the Bonds at the time of sale.

(e) The current federal and State tax treatment arising from ownership of the Bonds, receipt of payments of principal and interest thereon and the ownership or disposition thereof will continue in their present forms. Changes in income tax rates or other State or federal tax treatment arising from ownership on the Bonds could have an effect on the interest rate on the Bonds at the time of sale.

(f) The Bonds will bear interest at fixed rates determined at the time of sale until their respective maturity dates.

(g) Neither the County nor any purchaser of the Bonds will obtain any credit enhancement (such as a policy of municipal bond insurance) to assure payment of principal of and interest on the Bonds. The arrangement of such an instrument would not have an effect on the interest rate on the Bonds.

The total estimated amount of interest on the Bonds over the expected term of the Bonds is preliminary and for general purposes only. The County makes no assurances that the assumptions upon which such estimate is based will occur, and the occurrence of certain of such assumptions is beyond the control of the County. Differences between the actual circumstances at the time the Bonds are issued and the assumptions set forth above could result in significant differences between the total amount of estimated interest and the total amount of actual interest to be paid on the Bonds if and when issued. Pursuant to N.C.G.S. 159-55(d), the validity of the Bonds is not subject to challenge on the grounds that the actual interest to be paid on the Bonds when issued is different than the total amount of estimated interest on the Bonds set forth above.

Signed this 6th day of September, 2016.

Finance Director
County of Wake

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I, Denise M. Hogan, Clerk to the Board of Commissioners for the County of Wake, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of a statement of total estimated interest which was filed with me at a meeting of the Board of Commissioners for said County held on September 6, 2016, after the introduction of an order authorizing bonds of said County, and that said statement is open to public inspection in my office.

WITNESS my hand and official seal of said County this 6th day of September, 2016.

Clerk to the Board of Commissioners

[SEAL]