McGuireWoods LLP
501 Fayetteville Street
Suite 500
PO Box 27507 (27611)
Raleigh, NC 27601
Phone: 919.755.6600
Fax: 919.755.6699
www.mcguirewoods.com

Kristen M. Kirby
Direct: 919.755.6574

McGUIREWOODS

kkirby@mcguirewoods.com

March 9, 2021

NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT OF PROPOSED LOCAL GOVERNMENT FINANCING

Joint Legislative Committee on Local Government
North Carolina General Assembly
16 West Jones Street
Raleigh, North Carolina 27601
Attention Committee Chairs; Committee Assistant

Fiscal Research Division
North Carolina General Assembly
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Interim Director

$18,000,000
Housing Authority of the City of Raleigh
Multifamily Housing Revenue Note

Ladies and Gentlemen:

We are bond counsel for the Housing Authority of the City of Raleigh (the "Authority") in connection with the proposed issuance of its Multifamily Note (the "Note") in an aggregate principal amount not to exceed $18,000,000. The proceeds of the Note will be loaned to Primavera Seniors, LLC, a North Carolina limited liability company, or an affiliated or related entity (the "Borrower"), for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, construction and equipping of a low and moderate income multifamily housing development (the "Project") to be known as Primavera. The Project will consist of approximately 164 units in two residential buildings and will be located in Raleigh, Wake County, North Carolina.

The Note will be issued under the North Carolina Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the "Act"). The proceeds of the Note will be loaned to the Borrower under a loan agreement with the Authority, pursuant to which the Borrower will promise to pay amounts sufficient to pay principal, premium, if any, and interest on the Note when due. The Borrower's obligation will be secured by a deed of trust on the Project. The Borrower and the Authority will file restrictive covenants requiring that the Project be operated as a "qualified residential rental facility," under the Internal Revenue Code of 1986, as amended, and as a facility that provides housing for persons of low or moderate income under the Act for the longer of the term of the Note or 15 years. The Borrower will be solely responsible for repaying the Note, and the Authority will have no financial liability whatsoever for its repayment. The Note does not represent or constitute a debt or pledge of the faith and credit of the Authority, the City of Raleigh, the State of North Carolina, or any political subdivision thereof. Principal of and premium (if any) and interest on the Note are payable solely from the revenues received from the Borrower.

This notice is provided pursuant to N.C. Gen. Stat. §120-157.2(a). The Authority expects that the North Carolina Local Government Commission (the "Commission") will consider the Authority's proposal to issue the Note for approval at the Commission's meeting scheduled for May 4, 2021. We are delivering this notice on behalf of the Authority and the Borrower in accordance with directions provided by the Commission in Memorandum No. 2012-02 dated July 25, 2011.

Very truly yours,

Kristen M. Kirby, Esq.
Bond Counsel

cc: Sharon Edmundson, Secretary
Local Government Commission
NC Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604