

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

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A regular meeting of the Board of Commissioners (the “*Board*”) of the County of Durham, North Carolina (the “*County*”) was held on in the County Commissioners’ Meeting Room on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, the regular place of meeting, at 7:00 P.M., on December 9, 2019.

Present: Chair Wendy Jacobs, presiding, and Commissioners: _____

Absent: _____

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Commissioner _____ introduced the following resolution, a copy of which had been made available to each Commissioner:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING AGREEMENT AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Durham, North Carolina (the “*County*”) is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the constitution, statutes and laws of the State of North Carolina (the “*State*”);

WHEREAS, the County has the power under the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the County has previously executed and delivered an Installment Financing Agreement dated April 1, 2009 (the “*2009 Agreement*”) between Durham Capital Financing Corporation (the “*Corporation*”) and the County, a portion of the proceeds of which were used to finance the Health and Human Services Complex (the “*Health and Human Services Complex*”), among other projects. The 2009 Agreement was supplemented and amended by a First Supplemental Installment Financing Agreement dated as of March 1, 2012 between the Corporation and the County, a portion of the proceeds of which were used to (a) refinance the Health and Human Services Complex, (b) upgrade the County’s financial system computer software, (c) acquire replacement personal computers, servers and other IT equipment and (d) replace various County vehicles (collectively, the “*2012 Project*”);

WHEREAS, the County has also previously executed and delivered an Installment Financing Agreement dated as of March 1, 2013 (the “*2013 Agreement*”) between the Corporation and the County, the proceeds of which were used to refinance (a) construction of the Durham County Detention Facility and additional improvements, (b) construction of the Durham County Courthouse and parking deck, including the construction of a building to house courtrooms, court-related offices and various other facilities for justice-related departments of the County, the construction of a related parking deck and the

acquisition of associated land, furnishings and equipment, (c) renovation of an existing building and construction of other facilities to provide for the storage of County property, including the acquisition of associated land, furnishings and equipment, (d) renovation of the existing Durham County Judicial Building to accommodate other administrative needs of the County, including the acquisition of associated furnishings and equipment and (e) installation of fiber optic lines and related equipment to connect various County buildings and other buildings in order to eliminate significant network costs and improve voice, data and other application transmission capabilities among such facilities (collectively, the “2013 Project”);

WHEREAS, the County has also previously executed and delivered an Installment Financing Contract dated as of March 31, 2017 with PNC Bank, National Association, a portion of the proceeds of which were used to pay the costs of (a) reconstruction and renovation of the existing Judicial Annex of the County, (b) reconstruction and renovation of certain facilities used by Durham County Emergency Medical Services and (c) certain preliminary costs related to the redevelopment of Park Center in the Research Triangle Park pursuant to an Agreement for Park Center Phase I Public - Private Projects, dated October 12, 2015, as amended, between the Research Triangle Foundation of North Carolina and the County (collectively, the “2017 Project”);

WHEREAS, the Board of Commissioners previously determined that it is in the best interest of the County to execute and deliver Amendment Number One to the 2013 Agreement (the “*First Amendment*” and together with the 2013 Agreement, the “*Agreement*”) in order to (a) refinance the County’s obligations with respect to the 2012 Project, the 2013 Project and the 2017 Project and (b) obtain funds to pay the costs of improvements to the County’s historic administration building, now known as Admin Building I (the “2020 Project”);

WHEREAS, the 2012 Project, the 2013 Project, the 2017 Project and the 2020 Project are collectively referred to herein as the “*Projects*”;

WHEREAS, the Corporation will execute and deliver its (a) Durham Capital Financing Corporation Limited Obligation Bonds (County of Durham, North Carolina), Series 2020A (the “2020A Bonds”), and (b) Durham Capital Financing Corporation Taxable Refunding Limited Obligation Bonds (County of Durham, North Carolina), Series 2020B (the “2020B Bonds” and together with the 2020A Bonds, the “2020 Bonds”), each evidencing the proportionate undivided interests of the Owners in Installment Payments to be made by the County under the Agreement in an aggregate principal amount not to exceed \$145,000,000;

WHEREAS, the Corporation will make available to the County proceeds from the sale of the 2020A Bonds in order to enable the County to (1) pay the capital costs of the 2020 Project, (2) refinance the County’s obligations with respect to the 2017 Project and (3) pay costs incurred in connection with the execution and delivery of the 2020A Bonds;

WHEREAS, the Corporation will make available to the County proceeds from the sale of the 2020B Bonds in order to enable the County to (1) refinance the County’s obligations with respect to the 2012 Project and the 2013 Project and (2) pay the costs incurred in connection with the execution and delivery of the 2020B Bonds;

WHEREAS, as security for its obligations under the Agreement, the County has previously executed and delivered a Deed of Trust dated as of March 1, 2013 (the “*Deed of Trust*”) granting a lien on the sites of the Durham County Detention Facility and the Durham County Courthouse and all improvements thereon (collectively, the “*Mortgaged Property*”);

WHEREAS, in connection with the sale of the 2020 Bonds by the Corporation to BofA Securities, Inc. and PNC Capital Markets LLC, as underwriters (the “*Underwriters*”), the Corporation will enter into a purchase contract with the Underwriters (the “*Purchase Contract*”) and the County will execute a Letter of Representations to the Underwriters (the “*Letter of Representations*”);

WHEREAS, in connection with refinancing the County’s obligations with respect to the 2012 Project and the 2013 Project, the County will execute and deliver an Escrow Agreement, to be dated as of January 1, 2020 (the “*Escrow Agreement*”) with U.S. Bank National Association, as escrow agent;

WHEREAS, there have been described to the Board the forms of the following documents (the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve or execute and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the First Amendment;
- (2) a Supplemental Trust Agreement, Number 1 to be dated of even date with the First Amendment between the Corporation and U.S. Bank National Association, as trustee, including the forms of the 2020 Bonds;
- (3) the Escrow Agreement;
- (4) the Purchase Contract
- (5) the Letter of Representations; and
- (6) a Preliminary Official Statement (the “*Preliminary Official Statement*”) and a final Official Statement relating to 2020 Bonds (together with the Preliminary Official Statement, the “*Official Statement*”), which Official Statement will contain certain information regarding the County and the 2020 Bonds for use by the Underwriters in connection with the offering and sale of the 2020 Bonds;

WHEREAS, it appears that each of the Instruments is an appropriate instrument and in an appropriate form for the purposes intended;

WHEREAS, the Board conducted a public hearing on January 30, 2013 to receive public comment on the execution and delivery of the 2013 Agreement, the projects to be financed and refinanced thereby and the granting of a lien on the Mortgaged Property pursuant to the Deed of Trust;

WHEREAS, the County has filed an application to the LGC for approval of the First Amendment and will receive the approval of the LGC before executing and delivering the First Amendment;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Durham, North Carolina, as follows:

Section 1. Ratification. All actions of the Chair of the Board, the Clerk to the Board, the County Manager, the Chief Financial Officer, the Deputy Chief Financial Officer and the County Attorney, including anyone serving as such in an interim capacity, or their respective designees (the “*Authorized Officers*”) whether previously or hereinafter taken in effectuating the proposed financing are approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Authorization to Execute the First Amendment. The financing and refinancing of the Projects in accordance with the terms of the First Amendment, which will be a valid, legal and binding obligation of the County in accordance with its terms, is in all respects authorized, approved and confirmed. The form and content of the First Amendment are in all respects authorized, approved and confirmed. The Authorized Officers are authorized, empowered and directed to execute and deliver the First Amendment, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content presented to the Board. From and after the execution and delivery of the First Amendment, the Authorized Officers are authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Amendment as executed.

Section 3. Authorization of the Delivery of the Official Statement. The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed. The use of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the offering and sale of the 2020 Bonds is in all respects authorized, approved and confirmed. The Authorized Officers are authorized and directed to deliver, on behalf of the County, the Official Statement in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their delivery thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content presented to the Board. From and after the delivery of the Official Statement, the Authorized Officers are authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Official Statement as delivered.

Section 4. Authorization to Execute the Escrow Agreement. The form and content of the Escrow Agreement are in all respects authorized, approved and confirmed. The Authorized Officers are authorized, empowered and directed to execute and deliver the Escrow Agreement, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content presented to the Board. From and after the execution and delivery of the Escrow Agreement, the Authorized Officers are authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.

Section 5. Authorization to Execute the Letter of Representations. The form and content of the Letter of Representations are in all respects authorized, approved and confirmed. The Authorized Officers are authorized, empowered and directed to execute and deliver the Letter of Representations, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content presented to the Board. From and after the execution and delivery of the Escrow Agreement, the Authorized Officers are authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.

Section 6. County Representative. The Authorized Officers are each designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments and this Resolution. The Authorized Officers are authorized to proceed with the

financing in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated as required by law. The Authorized Officers are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Official Statement. The Authorized Officers are authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and the on-going administration of the Instruments. Any provision in this Resolution that authorizes more than one Authorized Officer to take certain actions will apply to the respective designees of the Authorized Officers, including any person serving in an interim capacity, and will be read to permit such persons to take the authorized actions either individually or collectively.

Section 7. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. Repealer. All motions, orders, resolutions and parts thereof, in conflict herewith are repealed.

Section 9. Effective Date. This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF DURHAM) ss:

I, MONICA W. TOOMER, Clerk to the Board of Commissioners of the County of Durham, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING AGREEMENT AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**” adopted by the Board of Commissioners of the County of Durham, North Carolina, at a meeting held on the 9th day of December, 2019.

WITNESS my hand and the corporate seal of the County of Durham, North Carolina, this the ___ day of December, 2019.

MONICA W. TOOMER
Clerk to the Board
County of Durham, North Carolina