
APPENDIX A

to

COUNTY OF DURHAM, NORTH CAROLINA

RESOLUTION ADOPTED JUNE 22, 2026

Relating to the Issuance of

\$185,000,000

General Obligation Bond, Series 2026C

(Draw Program)

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ARTICLE I

DEFINITIONS

Section 1.01 *Meaning of Words and Terms.* The following terms, except where the context indicates otherwise, have the respective meanings set forth below:

“*Advance*” means all advances of the proceeds of the Bond made by the Purchaser under the Purchase Agreement on or before the Advance Termination Date.

“*Advance Termination Date*” means the earliest to occur of (a) the date when the sum of the aggregate Advances made hereunder equals the Stated Principal Amount, (b) the date on which the Purchaser’s obligation to make Advances under the Purchase Agreement terminates as provided therein (as reflected in a written notice delivered by the Purchaser to the County), or (c) the Full Funding Date.

“*Alternate Rate*” means a rate of interest per annum equal to the Overnight Bank Funding Rate plus 0.10% (10 basis points). The Alternate Rate shall be adjusted as of each Business Day that there is a change in the Overnight Bank Funding Rate without notice to the County.

“*Appendix A*” means this Appendix A which is attached to, and incorporated in, the Bond Resolution.

“*Base Rate*” means the higher of (a) the Prime Rate, (b) the Overnight Bank Funding Rate plus 50 basis points (0.50%) and (c) 6.0%. The Base Rate shall be adjusted as of each Business Day that there is a change in the Prime Rate or the Overnight Bank Funding Rate (as applicable) without notice to the County, effective on the date of any such change.

“*Benchmark*” means, at any time, any interest rate index then used in the determination of the interest rate on the Bond, initially Daily Simple SOFR. Once a Benchmark Replacement becomes effective, it shall become the Benchmark.

“*Benchmark Replacement*” means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Owner as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official sector-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; provided that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than 0.00%, the Benchmark Replacement will be deemed to be 0.00% for the purposes of determining the Interest Rate.

“*Benchmark Transition Event*” means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

“*Bond*” means the up to \$185,000,000 County of Durham, North Carolina General Obligation Bond, Series 2026C issued pursuant to the Bond Resolution, including this Appendix A.

“*Bond Orders*” means, collectively, the following bond orders adopted by the Board of Commissioners of the County on July 11, 2022 and made effective on the affirmative vote of a majority of the qualified voters of the County who voted at a referendum held on November 8, 2022:

(a) the Bond Order authorizing not exceeding \$423,505,000 General Obligation School Bonds of the County of Durham, North Carolina, for the purpose of providing funds, with any other available funds, for erecting, remodeling, enlarging and reconstructing school buildings and other school plant facilities and acquiring necessary land, furnishings and equipment therefor;

(b) the Bond Order authorizing not exceeding \$112,740,000 General Obligation Community College Bonds of the County of Durham, North Carolina, for the purpose of providing funds, with any other available funds, for expanding and improving the facilities for Durham Technical Community College, including the construction of two new educational buildings, the acquisition of necessary furnishings and purchases of land for needed expansion therefor; and

(c) the Bond Order authorizing not exceeding \$13,995,000 General Obligation Museum Bonds of the County of Durham, North Carolina, for the purpose of providing funds, with any other available funds, for expanding and improving the facilities for the North Carolina Museum of Life and Science, including making improvements to exhibits, expanding meeting space, supporting upgrades to HVAC systems and undertaking projects to improve sustainability.

“*Bond Resolution*” means the Resolution adopted by the Board of Commissioners of the County on June 22, 2026 with respect to the Bond, which includes this Appendix A, and any further amendments or supplements thereto.

“*Business Day*” means, with respect to the Bond, any day other than (a) a Saturday or Sunday or (b) a legal holiday on which commercial banks are authorized or required by law to be closed for business in the County where the principal corporate office of the Purchaser is located; provided, however, that when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination involving SOFR, the term “*Business Day*” means any such day that is also a U.S. Government Securities Business Day.

“*Chief Financial Officer*” means the Chief Financial Officer of the County, including anyone serving as such in an interim capacity, the person performing the duties of the Chief Financial Officer, or the official succeeding to the Chief Financial Officer’s principal functions, serving as the finance officer of the County.

“*Closing Date*” means the date of initial issuance of the Bond.

“*Code*” means the Internal Revenue Code of 1986, as from time to time amended.

“*Commission*” means the Local Government Commission of North Carolina.

“*County*” means the County of Durham, North Carolina.

“*Daily Simple SOFR*” means, for any day (a “*SOFR Rate Day*”), the interest rate per annum determined by the Owner by dividing (the resulting quotient rounded upwards, at the Owner’s discretion, to the nearest 1/100th of 1%) (a) SOFR for the day (the “*SOFR Determination Date*”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (b) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the NYFRB

(or a successor administrator of the secured overnight financing rate) on the website of the NYFRB, currently at <http://www.newyorkfed.org>, or any successor source identified by the NYFRB or its successor administrator for the secured overnight financing rate from time to time. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. EST on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of “SOFR”; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than three consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the County, effective on the date of any such change. If at any time Daily Simple SOFR is less than 0.00%, such rate shall be deemed to be 0.00%.

“*Default Period*” means the period beginning on the effective date of an Event of Default and ending on the date (if any) the Event of Default has been remedied or otherwise waived by the Owner.

“*Default Rate*” means the highest of (a) the Prime Rate plus 300 basis points (3.00%), (b) the Overnight Bank Funding Rate plus 350 basis points (3.50%), and (c) 900 basis points (9.00%) per annum. The Default Rate shall be adjusted as of each Business Day that there is a change in the Prime Rate or the Overnight Bank Funding Rate (as applicable) without notice to the County.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Owner notifies the County that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the County of such notification from the Owner, the County shall deliver to the Owner a ruling or determination letter issued to or on behalf of the County by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(ii) on the date when the County shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the County or upon any review or audit of the County or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) on the date when the County shall receive notice from the Owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Owner the interest on the Bond due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the County has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Owner, the County shall promptly reimburse the Owner for any payments, including any taxes, interest, penalties or other charges, the Owner shall be obligated to make as a result of the Determination of Taxability.

“*Electronic Means*” means the following communications methods: e-mail and secure electronic transmission containing applicable authorization codes, and passwords and/or authentication keys.

“*Event of Default*” means the failure of the County to timely pay any amount due under the Bond as the same becomes due and payable or the occurrence of a default or event of default under the Bond Resolution or the Purchase Agreement.

“*Event of Taxability*” means (i) the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bond which has the effect of causing interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Owner for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Bond to become includable, in whole or in part, in the gross income of the Owner for federal income tax purposes with respect to the Bond as a result of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bond.

“*Full Funding Date*” means July 29, 2029.

“*Inclusion Date*” means the date that the interest component of the Bond first becomes includable in the gross income of the Owner as a result of a Determination of Taxability.

“*Initial Term Interest Rate*” means, during the Initial Term Period, a per annum rate of interest equal to (1) 79% of the Daily Simple SOFR (or any Benchmark Replacement in the event of a Benchmark Transition Event) or the Alternate Rate, as applicable, plus (2) 0.24% (24 basis points), rounded up to the fourth decimal place.

“*Initial Term Period*” means the period commencing on the Closing Date and ending on the Full Funding Date.

“*Interest Payment Date*” means the first Business Day of each month and any other date that interest is required to be paid on the Bond under the Purchase Agreement.

“*Interest Rate*” means, with respect to the outstanding Principal Amount of the Bond, (a) during the Initial Term Period, a per annum rate of interest equal to the Initial Term Interest Rate, and (b) during the Term Loan Period, the Term Loan Interest Rate; provided that the Interest Rate shall equal the Taxable Rate during a Taxable Period and the Default Rate during a Default Period. Notwithstanding the foregoing, in no event will the Interest Rate exceed the Maximum Rate. The Interest Rate shall be computed on the basis of the actual number of days elapsed and a year of 360 days.

“*Mail*” means first-class United States mail, postage prepaid.

“*Maturity Date*” means July 29, 2032.

“*Maximum Rate*” means the lesser of 18% per annum and the maximum rate of interest permitted by applicable law.

“*NYFRB*” means the Federal Reserve Bank of New York.

“*Overnight Bank Funding Rate*” means for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by the Purchaser for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Purchaser at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than 0.00%, then such rate shall be deemed to be 0.00%.

“*Owner*” means the registered owner of the Bond.

“*Paying Agent*” means the Chief Financial Officer, or her designee, or any successor appointed pursuant to Section 2.05.

“*Prime Rate*” means the rate publicly announced by the Purchaser from time to time as its prime rate. The Prime Rate is determined from time to time by the Purchaser as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Purchaser to any particular class or category of customers.

“*Principal Amount*” means the sum of all Advances less any redemption of the Bond. Advances and redemptions shall be recorded (which records may be electronic) on the Table of Advances and Table of Partial Redemptions attached to the Bond, however failure to record an Advance or redemption shall not affect the Principal Amount outstanding under the Bond.

“*Projects*” means the school projects, community college projects, and museum projects financed with the proceeds of the Bond in accordance with the authority provided under the respective Bond Orders.

“*Purchase Agreement*” means the Bond Purchase and Advance Agreement to be dated on or about July 29, 2026 among the County, the Purchaser and the Commission, as amended.

“*Purchaser*” means PNC Bank, National Association, as the initial Owner of the Bond, and its successors and assigns.

“*Redemption Date*” means the date on which the Bond or any portion thereof has been called for redemption or is to be redeemed pursuant to this Appendix A.

“*Stated Principal Amount*” means \$185,000,000.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

“*SOFR Reserve Percentage*” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“*Taxable Period*” means the period beginning on the Inclusion Date and ending on the date (if any) the Determination of Taxability is no longer in effect.

“*Taxable Rate*” means an interest rate that, had it been in effect, would have resulted in the same after tax equivalent yield to the Owner that the Owner would have realized if interest on the Bond was subject to federal income taxation of gross income at the highest corporate income tax rate in effect at the time of receipt of the interest, provided, however, that in no event shall the Taxable Rate exceed the Maximum Rate at any time.

“*Term Loan Interest Rate*” means (a) for the first ninety (90) days of the Term Loan Period, the Base Rate and (b) thereafter during the Term Loan Period until the Maturity Date, the Base Rate plus 2.00%; provided that the Term Loan Interest Rate shall not exceed the Maximum Rate.

“*Term Loan Period*” means the period, if any, commencing on the Full Funding Date and ending on the earlier of the Maturity Date or the date the Bond has been redeemed in whole prior to maturity.

“*U.S. Government Securities Business Day*” means any day except for (a) a Saturday or Sunday or (b) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

ARTICLE II

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF BOND

Section 2.01 ***Authorization of the Bond.*** There is hereby authorized the issuance of a general obligation bond, designated “*County of Durham, North Carolina General Obligation Bond, Series 2026C.*” The Bond is being issued to provide funds to pay the costs of the Projects and costs of issuing the Bond, under and in accordance with the Bond Orders. No Bond may be issued under the provisions of the Bond Resolution, including this Appendix A, except in accordance with this Article. The total principal amount of the Bond that may be issued is expressly limited to the Stated Principal Amount.

Section 2.02 ***Issuance of the Bond.*** The Bond will be issuable as a fully registered bond in the Stated Principal Amount. The Bond will be numbered RC-1 and will be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A. The execution and delivery of the Bond by the County under the Bond Resolution is conclusive evidence of the approval of the form of the Bond by the Board, including any insertions, omissions, variations, notations, legends or endorsements authorized by the Bond Resolution. The Bond may be executed with the use of facsimile signatures and seals, if any, but at least one manual signature (which may be the signature of the representative of the Commission to the Commission's certificate) must appear on the Bond.

Section 2.03 ***Details of the Bond; Payment.***

(a) The Bond will mature, subject to redemption as set forth herein, on the Maturity Date and will bear interest at the Interest Rate. Interest payable on the Bond shall be determined based on the Principal Amount of the Bond. The Purchaser shall calculate the amount of interest payable on each Interest Payment Date. The Purchaser, or subsequent Owner of the Bond, will give written notice to the Paying Agent on or before each Interest Payment Date of the amount of interest payable on the Bond on such Interest Payment Date. Interest on the Bond will be payable in arrears. The Paying Agent may completely rely on the Purchaser or subsequent Owner for interest rate calculations on the Bond.

(b) During a Taxable Period, the Interest Rate shall be adjusted to bear interest at the Taxable Rate. In addition, in such event, the County shall pay to the Owner (a) an amount necessary to reimburse the Owner for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Owner's inability to exclude the interest portion of the payments under the Bond from its gross income for federal income tax purposes, together with any reasonable attorneys' fees, court costs or other out-of-pocket costs incurred by the Owner in connection therewith, and (b) an amount equal to the positive difference, if any, between the amount of interest that would have been paid on the then-outstanding principal balance due under the Bond from the Inclusion Date if interest were computed at the Taxable Rate and the amount actually paid to the Owner computed at the Interest Rate in effect immediately prior to the Inclusion Date. The County agrees to give prompt written notice to the Owner of the County's receipt of any notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability shall have occurred.

(c) During a Default Period, the Interest Rate shall be equal to the Default Rate.

(d) Notwithstanding the foregoing provisions of this section, in no event will the Interest Rate exceed the Maximum Rate.

(e) The faith and credit of the County is pledged for the payment of the Bond.

(f) The Bond shall be registered as to principal and interest, and the Paying Agent, on behalf of the County, is directed to maintain the registration records with respect thereto. Principal of and interest on the Bond shall be payable to the Owner appearing on the registration records by wire transfer or by check, mailed to such Owner at its address or in accordance with the wire instructions, as applicable, as it appears on such registration books and shall be received by the Owner on the date such payment is due.

Actions taken by officials of the County to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are authorized and approved.

(g) Both the principal of and the interest on the Bond are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The Bond shall bear interest from its date until the Principal Amount has been paid, but if the Bond has matured or has been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Bond Resolution, such Bond shall then cease to bear interest as of the Maturity Date or Redemption Date, as applicable. The Bond will be dated as of its date of issuance, except that a Bond issued in exchange for or on the registration of transfer of the Bond will be dated as of the Interest Payment Date next preceding the date of issuance thereof, unless (1) the date of such issuance precedes the first Interest Payment Date, in which case it will be dated as of the date of the initial issuance of the Bond or (2) the date of such issuance is an Interest Payment Date to which interest on the Bond has been paid in full or duly provided for in accordance with the terms of this Appendix A, in which case it will be dated as of such Interest Payment Date; except that if interest on the Bond is in default, the Bond executed and delivered in exchange for or on registration of transfer of the Bond will be dated as of the date to which interest on the Bond has been paid in full. If no interest has been paid on the Bond, the Bond executed and delivered in exchange for or on the registration of transfer of the Bond will be dated as of the initial issuance of the Bond.

(h) During the Initial Term Period, the Owner shall have the right to make any technical, administrative or operational changes from time to time that the Owner decides may be appropriate to reflect the adoption and implementation of SOFR or any other Benchmark or to permit the use and administration thereof by the Owner in a manner substantially consistent with market practice or in such other manner as the Owner decides is reasonably necessary. Notwithstanding anything to the contrary herein, any amendments implementing such technical, administrative or operational changes will become effective without any further action or consent of the County. The Owner shall provide notice to the County of any such modification or change promptly after such amendment becomes effective.

If the applicable Interest Rate is based on a Benchmark and the Owner determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (hereinafter defined), or (B) any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Owner with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impracticable for the Owner to make or maintain or fund loans based on that Benchmark, then the Owner shall give notice thereof to the County. Thereafter, until the Owner notifies the County that the circumstances giving rise to such determination no longer exist, the Alternate Rate shall be utilized for purposes of clause (1) of the definition of the Initial Term Interest Rate or the Taxable Rate, as applicable, for purposes of calculating the Interest Rate on the Bond.

Notwithstanding anything to the contrary herein, if the Owner determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Owner may amend or modify the Bond to replace such Benchmark with a Benchmark Replacement (which shall specify the date that the Benchmark Replacement is effective) without any further action or consent of the County. The Owner shall provide notice to the County of any such amendment or modification (together with a copy of such amendment or modification) prior to such Benchmark Replacement becoming effective. The County hereby agrees to execute and deliver an acknowledgement of such amendment or modification at the request of the Owner. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with reference to such Benchmark as long as such Benchmark is available, and otherwise, the Alternate Rate shall be utilized for purposes of clause (1) of the definition of the Initial Term Interest Rate or the Taxable Rate, as applicable, for purposes of calculating the Interest Rate on the Bond.

Section 2.04. **Restriction on Transfer of the Bond.** The Bond is non-transferable, except to a bank, insurance company or similar financial institution or any other entity approved by the Commission. The Owner will give written notice to the County and the Paying Agent if any transfer of the ownership of the Bond occurs and the Paying Agent will record such new Owner on the registration books for the Bond. The County or the Paying Agent will have no obligation to pay any amounts due on the Bond to anyone other than the Owner of the Bond as shown on the registration books kept by the Paying Agent, on behalf of the County. The Paying Agent is not required to record a transfer of the ownership of the Bond unless it receives an opinion of counsel as to the qualification for transfer under this Section 2.04.

Section 2.05. **Paying Agent.** The Chief Financial Officer is hereby appointed as the initial Paying Agent for the Bond. The Chief Financial Officer may appoint a successor Paying Agent at any time. The Paying Agent shall keep the books of the County for payment of the Bond as provided in this Appendix A. Such books shall be available at all reasonable times for inspection by the County. Certain provision of this Appendix A and the Bond will only be applicable to the extent a successor Paying Agent is appointed and the Paying Agent is not the Chief Financial Officer, as the context may require.

The County will transfer the amount necessary, or otherwise cause such amount to be available, to the Paying Agent, if applicable, on or before the date required to pay principal of, premium, if any, and interest on the Bond and the Paying Agent will transfer to the Owner the payment of principal of, premium, if any, and interest on the Bond when due. The Paying Agent shall treat the Purchaser as the Owner of the Bond for all purposes under the Resolution and this Appendix A unless a transfer occurs in accordance with Section 2.04. The Paying Agent will have no responsibility to make payment of principal of, premium, if any, and interest on, the Bond, other than to the Purchaser as the initial Owner of the Bond or any subsequent Owner of the Bond as shown on the registration books.

Any successor Paying Agent may at any time resign and be discharged of the duties and obligations created by this Appendix A by giving at least 60 days' written notice to the County. The successor Paying Agent may be removed by the County at any time and be discharged of the duties and obligations created by this Appendix A by the Chief Financial Officer giving at least 60 days' written notice to the Paying Agent. Any resignation or removal of the successor Paying Agent shall take effect on the day another successor Paying Agent has been appointed by the County and has accepted such appointment. If no successor Paying Agent is appointed within 60 days after a notice of resignation, the resigning party may appoint a successor or petition any court of competent jurisdiction to appoint a successor.

The County agrees to indemnify a successor Paying Agent, to the extent permitted by law, against any liability which it may incur while acting in good faith in its capacity as Paying Agent except for its own negligence or willful misconduct, such indemnification including, but not limited to, any court costs and

reasonable attorneys' fees. Any costs, fees or other expenses of a successor Paying Agent in the discharge of its duties under this Appendix A will be paid by the County.

ARTICLE III

REDEMPTION OF THE BOND

Section 3.01 ***Optional Redemption of the Bond.*** The County may redeem the Bond, either in whole or in part, on any Business Day at a redemption price equal to 100% of the Principal Amount thereof, without premium, plus the accrued interest thereon to the Redemption Date.

The County may irrevocably reduce or terminate any unutilized portion of the Stated Principal Amount of the Bond, in whole or in part, without penalty, on any Business Day, by providing written notice at any time to the then-registered Owner of the Bond at the last address shown on the registration books kept by the County.

Section 3.02 ***Mandatory Redemption of the Bond.*** The County shall redeem the Bond in whole on the Full Funding Date at a redemption price equal to 100% of the Principal Amount, without premium, plus accrued interest thereon to the Redemption Date; provided that if the County has provided to the Owner on a date that is not less than five (5) Business Days and not more than ten (10) Business Days prior to the Full Funding Date a certificate stating (A) no Event of Default, or any event which with the giving of notice or the passage of time or both would constitute an Event of Default shall have occurred and be continuing and (B) the representations and warranties set forth in the Purchase Agreement will be true and correct on the Full Funding Date as if made on such date, then the County is eligible for the Term Loan Period and shall instead pay to the Owner the outstanding Principal Amount of the Bond as of such date in thirty-six (36) equal monthly principal installments payable on each Interest Payment Date during the Term Loan Period, with the final monthly payment of the remaining outstanding Principal Amount of the Bond being due and payable on the Maturity Date. The Bond will bear interest during the Term Loan Period at the Term Loan Interest Rate, which shall be payable on each Interest Payment Date, beginning the month immediately following the Full Funding Date. The County may redeem the Bond, either in whole or in part, during the Term Loan Period in accordance with Section 3.01.

Section 3.03 ***Notice of Redemption.*** The County will provide written notice of the optional redemption of the Bond not less than 30 days (or such lesser number of days as the Owner may accept). Such notice shall be given by Mail or Electronic Means, or by such other means as may be agreed upon by the parties, to each of the following: (1) the Commission; (2) the Paying Agent, if applicable; and (3) the then-registered Owner of the Bond at the last address shown on the registration books kept by the County.

Failure to provide such notice to the Commission and the Paying Agent will not affect the validity of any proceedings for such redemption.

In the case of an optional redemption of the Bond, the redemption notice may state that (1) it is conditioned upon the County making funds available for the redemption on the Redemption Date in an amount equal to the amount necessary to effect the redemption and such notice will be of no effect unless such funds are so made available, and (2) the County retains the right to rescind the redemption notice on or prior to the scheduled Redemption Date, and such notice and optional redemption shall be of no effect if such funds are not so made available or if the notice is rescinded as described below.

Any scheduled redemption of the Bond or portion thereof may be rescinded in whole or in part at any time prior to the Redemption Date if the County delivers written notice to the Owner of the Bond rescinding the redemption notice. Any Bond where redemption has been rescinded shall remain

Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the County to make funds available in whole or in part on or before the Redemption Date shall not constitute an Event of Default, and the County shall give immediate notice to the Owner of the Bond that the redemption did not occur and that the Bond called for redemption and not so paid remains Outstanding.

Section 3.04 **Record of Redemption.** The Owner will record any redemptions of the Bond on the Table of Partial Redemptions attached to the Bond (or otherwise kept on the Owner's official books and records, which may be electronic records). The Paying Agent may completely rely on the County and the Owner for any redemptions and notations thereof.

ARTICLE IV

ADVANCES

Section 4.01 **Advance of Bond Proceeds.** The County acknowledges and agrees that prior to the Advance Termination Date, the proceeds of the Bond will be disbursed in installments through the making of Advances by the Purchaser in accordance with the Purchase Agreement. The County shall not submit Advance requests to the Purchaser more frequently than three times during any calendar month, and no Advance requests shall be submitted later than thirty (30) days prior to the last day of the Initial Term Period. The Bond shall constitute a non-revolving line of credit. The Chief Financial Officer, or her designee, will indicate as part of each request for an Advance the amount to be applied against each Bond Order. In connection with each Advance, the County shall certify that the amount of such Advance applied against a Bond Order does not exceed the aggregate principal amount of Bonds authorized to be issued under such Bond Order. The date and amount of each Advance shall be noted on the Table of Advances attached to the Bond (or otherwise kept on the Purchaser's official books and records, which may be electronic records); provided that the failure to record any such Advance on the Table of Advances shall not affect the Principal Amount due. In no event may the total amount of all Advances exceed the Stated Principal Amount. Following the Advance Termination Date, no additional Advances may be made. On the Advance Termination Date, the positive difference, if any, between the Stated Principal Amount and the aggregate principal amount of all Advances shall be deemed to have been redeemed automatically and without any further notice or act by the County or any other person. Any such automatic redemption of principal shall not be taken into consideration in determining the Principal Amount of the Bond and shall not be recorded on the Table of Partial Redemptions attached to the Bond. The County will give written notice to the Paying Agent, if applicable, of each Advance. The Paying Agent may completely rely on the County and the Purchaser for dates and amounts of Advances.

The County agrees to provide the Commission staff with notification of each Advance and to submit to Commission staff written confirmation within four Business Days of a Request for Advance pursuant to the Purchase Agreement. The County may provide such notification by submitting a copy of the Request for Advance to the Commission staff.

Section 4.02 **Application of Bond Proceeds.** The Chief Financial Officer, or her designee, is hereby directed to create and establish a special fund (the "*Project Fund*") into which the proceeds from each Advance will be deposited by the Purchaser with the County. The Chief Financial Officer or her designee, will invest and reinvest any money held in the Project Fund as permitted by the laws of the State of North Carolina and the income, to the extent permitted by the Code, is to be retained in the Project Fund and applied with the proceeds of the Bond to pay the costs of the Projects. The Chief Financial Officer will ensure that the proceeds of an Advance (or portion thereof) relating to each Bond Order (and any earnings thereon) will be spent only on the projects authorized for such Bond Order. The Chief Financial Officer shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County

expends the proceeds of the Advances in accordance with the Bond Orders and maintains its covenants with respect to the exclusion of the interest on the Bond from gross income for purposes of federal income taxation.

ARTICLE V

AMENDMENTS

Section 5.01 ***Amendments to Bond Resolution.*** After the issuance of the Bond, portions of the Bond Resolution, including this Appendix A, may be amended or supplemented, from time to time, without the consent of the Owner of the Bond if, in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the Owner of the Bond and would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes; provided, however, if the Purchaser is the sole Owner of the Bond, any amendment to the Bond Resolution, including this Appendix A, requires the prior written consent of the Purchaser. All other amendments or supplements to this Resolution require the consent of the Owner of the Bond, including, but not limited to, any amendment or supplement that would reduce the principal amount of the Bond, reduce the interest rate payable on it, extend its maturity or the times for paying interest, or change the monetary medium in which principal and interest is payable.

Any act done pursuant to a modification or amendment consented to by the Owner of the Bond is binding on all Owners of the Bond and will not be deemed an infringement of any of the provisions of the Bond Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of the Bond Resolution, and after consent has been given, no Owner of the Bond has any right or interest to object to the action, to question its propriety or to enjoin or restrain the County from taking any action pursuant to a modification or amendment. If a successor Paying Agent has been appointed, the Bond Resolution, including Appendix A, may not be amended to expand the duties of Paying Agent or that are otherwise adverse to the Paying Agent without the prior written consent of the Paying Agent.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01 ***Headings.*** Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Appendix A or affect its meaning, construction or effect.

Section 6.02 ***Holidays.*** Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder is stated to be due on a day which is not a Business Day, such payment or action will be made or taken on the next following Business Day, and such extension of time will be included in computing interest, if any, in connection with such payment or action.

Section 6.03 ***No Recourse Against Members, Officers or Employees of the County or the Commission.*** No recourse under, or on, any statement, obligation, covenant, or agreement contained in the Bond Resolution, in any Bond, or in any document or certification relating to the Bond, or under any judgment obtained against the County or the Commission or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, is to be had against any member, officer or employee, as such, of the County or the Commission, either directly or through the County, the Commission, or otherwise, for the payment for or

to the County or the Commission or any receiver of the County or the Commission, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid on any such Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the County or the Commission or any receiver of the County or the Commission, or for, any Owner or otherwise, of any sum that may remain due and unpaid on the Bond hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of the Bond Resolution and the issuance of the Bond.

Section 6.04 ***Governing Law.*** The Bond Resolution, including this Appendix A, is governed by and to be construed in accordance with the laws of the State of North Carolina without regard to conflict of law principles.

Section 6.05 ***Financial Statements.*** The County shall furnish the Purchaser its current audited financial statements within 210 days of the end of each fiscal year, beginning with the fiscal year ended June 30, 2026, carrying an unqualified opinion of a certified public accountant and prepared in accordance with generally accepted accounting principles and presented on a consistent basis. The County shall also provide the Purchaser with such other financial information as reasonably requested by the Purchaser.

[End of Appendix A]

EXHIBIT A

FORM OF BOND

NO OFFERING CIRCULAR OR MEMORANDUM, OFFICIAL STATEMENT OR OTHER DISCLOSURE DOCUMENT HAS BEEN PREPARED OR PROVIDED BY THE COUNTY IN CONNECTION WITH THE OFFERING AND SALE OF THIS BOND. THIS BOND, EXCEPT FOR PERMITTED TRANSFERS AS SET FORTH HEREIN, IS NON-TRANSFERABLE

**COUNTY OF DURHAM, NORTH CAROLINA
GENERAL OBLIGATION BOND,
SERIES 2026C**

No. RC-1

\$185,000,000

**INTEREST RATE
Variable**

**DATED DATE
July 29, 2026**

**MATURITY DATE
July 29, 2032**

REGISTERED OWNER: PNC BANK, NATIONAL ASSOCIATION

STATED PRINCIPAL AMOUNT: ONE HUNDRED EIGHTY FIVE MILLION DOLLARS

The County of Durham, North Carolina (the “*County*”), a political subdivision of the State of North Carolina (the “*State*”), for value received, promises to pay, in the manner hereinafter provided, to the Owner named above the Stated Principal Amount set forth above or the Principal Amount (as hereinafter defined), whichever is less, on the Maturity Date set forth above (or earlier as hereinafter described). This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and under The Local Government Finance Act (the “*Act*”). The Bond is issued under the Bond Orders and a resolution adopted by the Board of Commissioners of the County on June 22, 2026 (the “*Bond Resolution*”). This Bond is being issued to provide funds to pay the capital costs of the Projects authorized under the Bond Orders. Reference is hereby made to the Bond Resolution for the rights, duties and obligations of the County and the rights of the Owner of the Bond, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Bond Resolution. Capitalized terms used herein and not defined have the meaning ascribed to them in the Bond Resolution.

The County further promises to pay such Owner at the address as it appears on the registration books kept by the Paying Agent, which is initially the Chief Financial Officer and subsequently any successor appointed in accordance with the Bond Resolution, interest at the Interest Rate described in the Bond Resolution, subject to adjustment as provided therein, on the lesser of (1) the Stated Principal Amount or (2) the sum of the Advances made by the Purchaser pursuant to the Bond Resolution and the Purchase Agreement (less any amount of the Bond redeemed) and as reflected in the “Table of Advances” attached hereto or kept in the Owner’s records (which may be electronic records) (the “*Principal Amount*”). Interest on this Bond will be payable on the first Business Day of each month (each an “*Interest Payment Date*”) from the Interest Payment Date next preceding the date of issuance (unless (1) the date of such issuance precedes the first Interest Payment Date, in which case interest with respect thereto shall be payable from the date of issuance of this Bond or (2) the date of such issuance is an Interest Payment Date to which interest on this Bond has been paid in full or duly provided for in accordance with the terms of the Bond Resolution, in which case interest with respect thereto shall be payable from such Interest Payment Date) until the Principal Amount shall have been paid or provided for in accordance with the Bond Resolution.

The County may redeem this Bond, either in whole or in part, on any Business Day at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date.

The County shall redeem this Bond in whole on the Full Funding Date at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date; provided that if the County has provided to the Owner on a date that is not less than five (5) Business Days and not more than ten (10) Business Days prior to the Full Funding Date a certificate stating (A) no Event of Default, or any event which with the giving of notice or the passage of time or both would constitute an Event of Default shall have occurred and be continuing and (B) the representations and warranties set forth in the Purchase Agreement will be true and correct on the Full Funding Date as if made on such date, then the County is eligible for the Term Loan Period and shall instead pay to the Owner the outstanding Principal Amount of the Bond as of such date in thirty-six (36) equal monthly principal installments payable on each Interest Payment Date during the Term Loan Period, with the final monthly payment of the remaining outstanding Principal Amount of the Bond being due and payable on the Maturity Date. The Bond will bear interest during the Term Loan Period at the Term Loan Interest Rate, which shall be payable on each Interest Payment Date, beginning the month immediately following the Full Funding Date.

The County will provide written notice of the optional redemption of this Bond not less than 30 days before the Redemption Date (or such lesser number of days as the Owner may accept). Such notice shall be given by Mail or Electronic Means, or by such other means as may be agreed upon by the parties, to each of the following: (1) the Commission; (2) the Paying Agent, if applicable; and (3) the then-registered Owner of this Bond at the last address shown on the registration books kept by the County.

Failure to provide such notice to the Commission and the Paying Agent will not affect the validity of any proceedings for such redemption.

In the case of an optional redemption of the Bond, the redemption notice may state that (1) it is conditioned upon the County making funds available for the redemption on the Redemption Date in an amount equal to the amount necessary to effect the redemption and such notice will be of no effect unless such funds are so made available, and (2) the County retains the right to rescind the redemption notice on or prior to the scheduled Redemption Date, and such notice and optional redemption shall be of no effect if such funds are not so made available or if the notice is rescinded as described below.

Any scheduled redemption of the Bond or portion thereof may be rescinded in whole or in part at any time prior to the Redemption Date if the County delivers written notice to the Owner of the Bond rescinding the redemption notice. Any Bond where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the County to make funds available in whole or in part on or before the Redemption Date shall not constitute an Event of Default, and the County shall give immediate notice to the Owner of the Bond that the redemption did not occur and that the Bond called for redemption and not so paid remains Outstanding.

The Owner will record any redemptions of this Bond on the Table of Partial Redemption attached to this Bond (or otherwise kept on the Owner's official books and records, which may be electronic).

This Bond is non-transferable, except to a bank, insurance company or similar financial institution or any other entity approved by the Commission. The County or the Paying Agent will have no obligation to pay any amounts due on this Bond to anyone other than the Owner of this Bond as shown on the registration books kept by the Paying Agent.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes.

The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

This Bond is not valid or obligatory for any purpose until the certification hereon has been signed by an authorized representative of the Local Government Commission.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the County of Durham, North Carolina has caused this Bond to be executed with the manual or facsimile signatures of the Chair of the Board of Commissioners and the Clerk to the Board of Commissioners.

COUNTY OF DURHAM, NORTH CAROLINA

By: _____
Michael Lee
Chair of the Board of Commissioners

By: _____
Monica W. Wallace
Clerk to the Board of Commissioners

The issue hereof has been approved under the provisions of The Local Government Bond Act.

Denise H. Canada
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

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

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

NOTICE: 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, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

