
CONTRACT OF PURCHASE

January 16, 2020

Durham Capital Financing Corporation
Durham, North Carolina

**[\$Amount]
Durham Capital Financing Corporation
Limited Obligation Bonds
(County of Durham, North Carolina), Series 2020A**

Ladies and Gentlemen:

The undersigned PNC Capital Markets LLC (the “*Underwriter*”), offers to enter into this Contract of Purchase (this “*Purchase Agreement*”) with Durham Capital Financing Corporation (the “*Corporation*”) for the purchase and sale by the Underwriter of the \$[Amount] Limited Obligation Bonds (County of Durham, North Carolina), Series 2020A (the “*2020A Bonds*”), which evidence proportionate undivided interests in installment payments (the “*Installment Payments*”) to be made with respect to an Installment Financing Agreement dated as of March 1, 2013 (as amended, the “*Agreement*”), between Durham Capital Financing Corporation (the “*Corporation*”) and the County of Durham, North Carolina (the “*County*”), as amended by Amendment Number One to the Installment Financing Agreement dated as of January 1, 2020 (the “*First Amendment to the Agreement*”), between the Corporation and the County. The 2020A Bonds will be executed and delivered pursuant to a Trust Agreement dated as of March 1, 2013 (as supplemented, the “*Trust Agreement*”), between the Corporation and U.S. Bank National Association (the “*Trustee*”), as supplemented by Supplemental Trust Agreement, Number 1, dated as of January 1, 2020, between the Corporation and the Trustee. The 2020A Bonds will bear interest from their date, and will have such other terms and provisions, as described in the Final Official Statement (hereinafter defined in Section 2 hereof) and Schedule I hereto.

This offer is made subject to the terms and provisions of this Purchase Agreement and satisfaction of each of the following conditions: (i) acceptance by the Corporation and (ii) delivery to the Underwriter of a Letter of Representation dated the date hereof in the form attached hereto as Exhibit A and duly executed by the County (the “*Letter of Representation*”). Upon satisfaction of the foregoing conditions, this Purchase Agreement will be in full force and effect in accordance with its terms and will be binding on the Corporation and the Underwriter. If the foregoing conditions are not satisfied as provided above, this offer is subject to withdrawal

by the Underwriter upon written notice delivered to the Corporation at any time prior to acceptance.

This offer is made subject to your acceptance of this Purchase Agreement on or before noon on January 16, 2020.

All terms not otherwise defined herein have the same meanings as set forth in the Agreement or the Trust Agreement (as described below).

1. *Purchase and Sale of Bonds.* Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein and in the Letter of Representation, the Underwriter hereby agrees to purchase from the Corporation, and the Corporation hereby agrees to sell to the Underwriter, all (but not less than all) of \$_____ aggregate principal amount of the 2020A Bonds at the purchase price (the "*Purchase Price*") of \$_____ (equal to the par amount of the 2020A Bonds, [plus/less] [net] original issue [premium/discount] of \$_____ less an Underwriter's discount of \$_____).

The 2020A Bonds are being executed and delivered to provide funds to refinance the County's obligations with respect to the 2012 Project, the 2013 Project and the 2017 Project, each as described in the First Amendment to the Agreement. As security for its obligations under the Agreement, the County has executed and delivered to the deed of trust trustee, for the benefit of the Corporation, a Deed of Trust and Security Agreement dated as of March 1, 2013 (the "*Deed of Trust*"), granting, among other things, a lien of record on certain real property (the "*Mortgaged Property*"). Pursuant to the Agreement, Installment Payments payable by the County thereunder are paid directly to the Trustee.

The Underwriter agrees to make a bona fide public offering of all of the 2020A Bonds at the initial offering prices or yields set forth on the cover of the Final Official Statement. The Underwriter, however, reserves the right to change such initial offering prices or yields as the Underwriter deems necessary in connection with the marketing of the 2020A Bonds and to offer and sell the 2020A Bonds to certain dealers (including dealers depositing the 2020A Bonds into investment trusts, including investment trusts managed by the Underwriter) and others at prices lower than the initial offering prices or yields set forth in the Final Official Statement. The Underwriter also reserves the right to over-allot or effect transactions which stabilize or maintain the market price of the 2020A Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. The Underwriter will provide to Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina ("*Bond Counsel*") and others such evidence of the initial public sale price of the 2020A Bonds as the Corporation or the County may request and will supplement such information as may be necessary to continue its accuracy. The Underwriter represents and warrants that the 2020A Bonds will be offered only pursuant to the Preliminary Official Statement (defined below in Section 2) and the Final Official Statement and only in states where the offer and sale of the 2020A Bonds is legal, either as exempt securities, as exempt transactions or as a result of registration of the 2020A Bonds for sale in any such state.

2. *Official Statement.*

(a) The Corporation agrees to cause the County to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement dated January __, 2020 relating to the 2020A Bonds (the "*Final Official Statement*") as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "*Rule*") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The Corporation agrees to cause the County to deliver such Final Official Statements within seven business days after the execution hereof. It is understood that, in undertaking to cause the County to deliver Final Official Statements pursuant to this subparagraph (a), neither the Corporation nor the directors, officers, employees or agents of same are undertaking any responsibility for the accuracy or completeness of the information in the Final Official Statement concerning the County.

The Underwriter represents that a copy of the Official Statement will be electronically delivered before the "end of the underwriting period," as defined below with the Municipal Securities Rulemaking Board at www.MSRB.org/msrb1/control/default.asp.

(b) The Corporation will take all actions and provide all information reasonably requested by the Underwriter to ensure that the Preliminary Official Statement, as hereinafter defined, and the Final Official Statement at all times during the initial offering and distribution of the 2020A Bonds do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Corporation will not amend or supplement, or approve any amendment or supplement of, either the Preliminary Official Statement or the Final Official Statement without the prior written consent of the Underwriter (which consent will not be unreasonably withheld); provided, however, that, if between the date of this Purchase Agreement and 25 days from the end of the underwriting period, as defined below, any event occurs or any fact is disclosed of which event or fact the Corporation has actual knowledge which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Corporation will promptly notify the Underwriter, and, if in the opinion of the Underwriter such event or disclosure requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will supplement or amend the Official Statement in form and manner approved by the Underwriter, and the County shall pay all expenses in association therewith, including reasonable attorneys' fees. For purposes of this Purchase Agreement, the "*end of the underwriting period*" will mean the later of (i) the Closing (as defined herein) or (ii) the time that the Underwriter no longer retains, directly or as a member of an underwriting syndicate, an unsold balance of the 2020A Bonds for sale to the public. Unless otherwise notified in writing by the Underwriter, the Corporation shall treat the Closing as the "end of the underwriting period."

(c) The Corporation agrees to use all reasonable efforts to cause the County to authorize and approve the Preliminary Official Statement dated January __, 2020 (the “*Preliminary Official Statement*”) and the Final Official Statement (the Final Official Statement, the Preliminary Official Statement and any amendments or supplements that may be authorized for use with respect to the 2020A Bonds are herein referred to collectively as the “*Official Statement*”), to consent to their distribution and use by the Underwriter.

3. *Establishing the Issue Price.*

(a) The Underwriter agrees to assist the Corporation and the County in establishing the issue price of the 2020A Bonds and shall execute and deliver to the Corporation and the County at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit E [To be attached], together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Corporation, the County and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2020A Bonds.

(b) [Except for the maturities set forth in Schedule I attached hereto,] the Corporation will treat the first price at which 10% of each maturity of the 2020A Bonds (the “*10% test*”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the County the price or prices at which it has sold to the public each maturity of the 2020A Bonds. [If, as of the date hereof, the 10% test has not been satisfied as to any maturity of the 2020A Bonds for which the Corporation has elected to utilize the 10% test, the Representative agrees to promptly report to the County the prices at which it sells the unsold 2020A Bonds of that maturity to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the 2020A Bonds of that maturity or the Closing Date.

(c) [The Representative confirms that the Underwriter has offered the 2020A Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the Final Official Statement. Schedule I sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the 2020A Bonds for which the 10% test has not been satisfied and for which the County and the Representative, on behalf of the Underwriter, agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2020A Bonds, the Underwriter will neither offer nor sell unsold 2020A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following

- (1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The County and the Corporation acknowledge that, in making the representations set forth in this subsection, the Underwriter will rely on (i) the agreement of PNC Capital Markets LLC to comply with the hold-the-offering-price rule, as set forth in the agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2020A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2020A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and PNC Capital Markets LLC shall be solely liable for its failure to comply with its agreement regarding the hold the offering price rule and that neither Merrill Lynch, Pierce, Fenner & Smith Incorporated nor PNC Capital Markets LLC shall be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its agreement regarding the hold-the-offering-price rule as applicable to the 2020A Bonds.

(f) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2020A Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the 2020A Bonds of that maturity or all 2020A Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires; and

(ii) any agreement among underwriters relating to the initial sale of the 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2020A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold 2020A Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the 2020A Bonds of that maturity or all 2020A Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for as long as directed by the Representative and as set forth in the related pricing wires.

(f) The Underwriter acknowledges that sales of any 2020A Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2020A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2020A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2020A Bonds to the public),

(iii) a purchaser of any of the 2020A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

4. *Representations, Warranties and Covenants of the Corporation.* The Corporation represents and warrants to the Underwriter that:

(a) the Corporation is a nonprofit corporation duly created and validly existing and in good standing under the laws of the State of North Carolina and has the power and authority and all necessary licenses and permits to conduct its business as described in the Preliminary Official Statement and the Final Official Statement;

(b) to the best of its knowledge, both at the time of its acceptance hereof and at the date of Closing (hereinafter defined), the statements and information contained in the Final Official Statement relating to the Corporation are and will be true, correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect; provided, however, that the Corporation makes no representation with respect to the information in the Final Official Statement supplied by the County (including the financial and statistical information in Appendix B thereto) or the Underwriter, or any other party, if applicable, other than that it has no knowledge or notice that such information is inaccurate or misleading;

(c) the Corporation will cooperate with the Underwriter and their counsel in taking all necessary action to qualify the 2020A Bonds for offer and sale under the securities or “Blue Sky” laws of such jurisdictions as the Underwriter may reasonably request and authorizes the Underwriter to make any necessary filings on behalf of the Corporation in taking any such necessary action; provided, however, that the Corporation will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with such qualification;

(d) the execution and delivery by the Corporation of this Purchase Agreement, the Trust Agreement and the Agreement (collectively, the “*Corporation Documents*”), and the Final Official Statement were duly approved by the Corporation’s Board of Directors in complete conformity with the Articles of Incorporation and the Bylaws of the Corporation and North Carolina law;

(e) the approval, execution and delivery of the Corporation Documents and compliance with the provisions thereof and hereof under the circumstances contemplated thereby and hereby and the approval of the Final Official Statement, do not and will not conflict with, constitute a breach of or default under, or result in the creation of a lien on any property of the Corporation (except as contemplated therein) pursuant to applicable law or any indenture, bond order, deed of trust, mortgage, agreement or other instrument to which the Corporation is a party except as described in the Final Official Statement, or conflict with or violate any applicable law, administrative rule, regulation, judgment, court order or consent decree to which the Corporation is subject;

(f) there is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of its knowledge, threatened (i) contesting the corporate existence or powers of the Corporation or the titles of the officers of the Corporation to their respective offices, (ii) seeking to prohibit, restrain or enjoin the collection of revenues by the Corporation or the application of the proceeds of the 2020A Bonds wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position of the Corporation or the validity or enforceability of the 2020A Bonds or the Corporation Documents, (iii) contesting or affecting the validity of the Corporation Documents or (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement (nor, to the best knowledge of the Corporation, is there any basis therefor);

(g) the Corporation is not in default in the payment of the principal of or interest on any indebtedness for borrowed money or under any instrument under or subject to which any indebtedness has been incurred, and to the best of its knowledge, no event has occurred or is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such agreement;

(h) any certificate signed by the President or Vice President of the Corporation and delivered to the Underwriter will be deemed to be a representation and warranty by the Corporation to the Underwriter as to the statements made therein;

(i) when duly executed and delivered at the Closing in accordance with the provisions of this Purchase Agreement, the Corporation Documents will have been duly authorized, executed and delivered by the Corporation and will constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except insofar as the enforcement thereof may be limited by bankruptcy, insolvency or similar laws relating to the enforcement of creditors' rights; and

(j) when duly executed and delivered at the Closing in accordance with the provisions of this Purchase Agreement, the 2020A Bonds will constitute valid and binding proportionate undivided interests in the Corporation's rights to receive certain Revenues pursuant to the Agreement enforceable in accordance with their terms.

(k) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the Preliminary Offering Statement (excluding therefrom the information under the captions "**THE 2020 BONDS -- Book-Entry Form Only**" or "**UNDERWRITING**" and in Appendix E, as to which no representations or warranties are made), as of its date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. *Corporation to Use All Reasonable Efforts to Cause County to Act.* The Corporation will use all reasonable efforts to cause the County to deliver, at the signing hereof, a Letter of Representation in the form of Exhibit A hereto, and at the Closing, a certificate signed by an appropriate official of the County as set forth in Section 8(e)(iii)(12).

6. *Closing.* At 10:00 a.m. (New York time) on January 27, 2020, or at such other time or date as has been mutually agreed on by the Corporation, the County and the Underwriter (the "*Closing Date*"), the Corporation will deliver, or cause to be delivered, to the Underwriter, at the offices of The Depository Trust Company ("*DTC*"), 55 Water Street, New York, New York 10041, or at such other place as the Underwriter, the Corporation and the County may mutually agree upon, the 2020A Bonds in definitive form, duly executed and authenticated and registered in the name of Cede & Co. and in such denominations as the Underwriter will have requested in writing not less than two business days before the Closing Date, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the Purchase Price of the 2020A Bonds with bank wire transfer in federal funds payable to the order of the Trustee on behalf of the County.

The activities relating to the final execution and delivery of the 2020A Bonds, the Agreement, the Deed of Trust and the Indenture and the payment therefor and the delivery of all certificates, opinions and other instruments described in Section 8 of this Purchase Agreement shall occur at the offices of the County. The payment for the 2020A Bonds and simultaneous delivery of the 2020A Bonds to the Underwriter is herein referred to as the "*Closing.*" The 2020A Bonds will be delivered in book-entry form as definitive registered Bonds initially as one bond for each maturity, registered in the name of Cede & Co., as nominee of DTC, as registered owner of all of the 2020A Bonds, duly executed and authenticated, with CUSIP identification numbers typed thereon. Neither the failure to type such numbers on any Bond nor any error in

them will constitute cause for a failure or refusal by the Underwriter to accept delivery of the 2020A Bonds and pay the Purchase Price of the 2020A Bonds.

7. *Termination of Purchase Agreement.* The Underwriter has the right to cancel its obligation to purchase the 2020A Bonds by notifying the County and the Corporation of their election to do so, if between the date hereof and the Closing Date:

(a) legislation shall have been enacted or introduced by the Congress of the United States, or adopted by either House of the Congress, or enacted or introduced by the General Assembly of the State of North Carolina, or adopted by either House of the General Assembly, or shall have been reported out of committee of either the Congress or the General Assembly, or be pending in committee of either the Congress or the General Assembly, or a decision shall have been rendered by a court of the United States, including the Tax Court of the United States, or a court of the State of North Carolina, or a ruling or an official release shall have been made or a regulation or temporary regulation shall have been proposed or made or a press release or some other form of notice or announcement shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal or state authority having jurisdiction over tax matters, with respect to federal or State of North Carolina taxation upon revenues or other income of the general character to be derived by the County or the Corporation, or upon interest received on obligations of the general character of the 2020A Bonds, or other action or events shall have transpired which would, in the reasonable judgment of the Underwriter, have the purpose or effect, directly or indirectly, of changing the federal or State of North Carolina tax consequences of any of the transactions contemplated in connection herewith;

(b) there shall occur any event, which in the reasonable judgment of the Underwriter (i) would have a material and adverse effect on the market price or marketability of the 2020A Bonds, (ii) would make untrue, incorrect or incomplete in any material respect any statement or information contained in the Official Statement, or (iii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein, under the circumstances in which they were made, not materially misleading;

(c) in the reasonable judgment of the Underwriter, the market price or marketability of the 2020A Bonds or the ability of the Underwriter to enforce contracts for the sale of Bonds shall have been materially adversely affected by an amendment of or supplement to the Official Statement;

(d) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis or any escalation of any existing local, national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, the County, any state of the United States or agency thereof, or any county or city located in the United States having a population of over one million persons, the effect of which on the financial markets of the United States will be such as, in the reasonable judgment of the

Underwriter, makes it impracticable for the Underwriter to market the 2020A Bonds or enforce contracts for the sale of the 2020A Bonds;

(e) there shall have occurred and be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of a determination by any such exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(f) a general banking moratorium shall have been declared by federal, State of North Carolina or State of New York authorities having jurisdiction and be in force;

(g) there shall occur any material adverse change in the affairs of the County or the Corporation that is not disclosed in the Official Statement;

(h) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the charge to the net capital requirements of the Underwriter established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or

(i) a decision of any federal or state court or a ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would (i) make the 2020A Bonds, or securities similar to the 2020A Bonds subject to the registration requirements of the Securities Act of 1933, as amended, or (ii) require the qualification of an indenture in respect of the 2020A Bonds or any such securities under the Trust Indenture Act of 1939, as amended.

8. *Conditions to Obligations of the Underwriter.* The obligation of the Underwriter to purchase the 2020A Bonds is subject:

(a) to the performance by the Corporation of its obligations to be performed hereunder at and before the Closing;

(b) to the performance by the County of its obligations to be performed under the Letter of Representation at and prior to the Closing;

(c) to the accuracy of the representations and warranties of the Corporation herein as of the date hereof and as of the time of the Closing;

(d) to the accuracy of the representations and warranties of the County in the Letter of Representation as of the date hereof and as of the time of the Closing; and

(e) to the following conditions, including the delivery by the County of such documents as are enumerated herein in form and substance satisfactory to the Underwriter and Moore & Van Allen PLLC, its counsel:

(i) At the time of Closing;

(1) the Final Official Statement, this Purchase Agreement, the Agreement, the Deed of Trust and the Trust Agreement are in full force and effect and have not been amended, modified or supplemented from the date hereof except as may have been agreed to in writing by the Underwriter;

(2) the proceeds of the sale of the 2020A Bonds are deposited and applied as described in the Final Official Statement; and

(3) the County has duly adopted and there are in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(ii) Receipt of the 2020A Bonds, the Agreement, the Deed of Trust and the Trust Agreement at or before the Closing. The terms of the 2020A Bonds, as delivered, shall in all instances be as described in the Final Official Statement. The terms of the Agreement, as delivered, shall, among other things, specify the County's and any other obligated person's undertaking to provide continuing disclosure in accordance with the Rule and Section 2(p) of the Letter of Representation.

(iii) At or prior to the Closing, the Underwriter shall receive copies of the following documents:

(1) Final approving opinion of Bond Counsel dated the Closing Date, in substantially the form set forth in **Appendix D** to the Official Statement.

(2) Opinion of Bond Counsel addressed to the Underwriter and dated the Closing Date, in substantially the form attached hereto as Exhibit B.

(3) An opinion of counsel to the Corporation, dated the Closing Date, addressed to the Underwriter, in substantially the form attached hereto as Exhibit D.

(4) An opinion of Moore & Van Allen PLLC, counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter, in form satisfactory to the Underwriter.

(5) The Final Official Statement.

(6) Certified copies of all resolutions of the County relating to the 2020A Bonds, the Agreement and the Deed of Trust.

(7) Certified copies of such documents of the Corporation approving the execution and delivery of the Corporation Documents.

(8) A specimen 2020A Bond.

(9) Letters from Moody's Investors Service and S&P Global Ratings to the effect that the 2020A Bonds have been assigned a rating of no less than "___" and "___", respectively.

(10) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of the President or any duly authorized officer or official of the Corporation satisfactory to the Underwriter and its counsel, dated as of the Closing Date, to the effect that: (i) each of the Corporation's representations, warranties and covenants contained herein are true and correct as of the Closing Date; (ii) the Corporation Documents have been entered into by the Corporation and are in full force and effect; and (iii) the 2020A Bonds have been duly executed and delivered by the Corporation.

(11) A certificate, in form and substance satisfactory to the Underwriter and its counsel, dated the Closing Date, executed by an appropriate official of the County to the effect that (i) the representations and warranties of the County in the Letter of Representation are true and correct in all material respects as of the date of Closing and (ii) the Agreement and the Deed of Trust has been entered into by the County and are in full force and effect.

(12) Executed copies of the County's certification as to non-arbitrage and other matters relative to the tax status of the 2020A Bonds under Section 148 of the Internal Revenue Code of 1986, as amended.

(13) A copy of a title insurance policy naming the Trustee as a beneficiary and insuring title to the real estate comprising the Mortgaged Property.

(14) Memorandum from Moore & Van Allen PLLC to the Underwriter indicating the jurisdictions in which the 2020A Bonds may be sold in compliance with the securities or "*Blue Sky*" laws of such jurisdictions.

(15) A copy of the blanket Letter of Representations executed by the Corporation to DTC with respect to the 2020A Bonds.

(16) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of a duly authorized officer or official of the

Trustee satisfactory to the Underwriter and its counsel, dated as of the Closing Date, to the effect that: (i) the Trust Agreement has been duly executed and delivered by the Trustee and (ii) the 2020A Bonds have been duly authenticated by the Trustee.

(17) A certificate, in form and substance satisfactory to the Underwriter and its counsel, executed by a duly authorized officer or official of the Trustee, dated as of the Closing Date, to the effect that the Trustee has received the proceeds of the sale of the 2020A Bonds as described in the Indenture.

(19) Such additional legal opinions, certificates, proceedings, instruments and other documents as counsel to the Underwriter, Bond Counsel, or counsel to the Corporation or the County may reasonably request to evidence compliance by the Corporation or the County with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Corporation and the County herein contained and the due performance or satisfaction by each of them at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them.

The Underwriter has entered into this Purchase Agreement in reliance upon the respective representations, warranties and covenants of the Corporation and the County contained in this Purchase Agreement and in the Letter of Representation. Unless excused by the Underwriter, the Underwriter's obligations under this Purchase Agreement are at all times subject to the conditions set forth in this Section 7 and any other express condition contained in any other Section of this Purchase Agreement. If any condition to the Underwriter's obligations is not excused or satisfied on or before the Closing Date (or in the case of events described in Section 6 above, immediately upon the occurrence of such event), the Underwriter's obligation and, except as otherwise provided in this Purchase Agreement, the obligations of the Corporation and the County will be immediately discharged, and the Underwriter may terminate this Purchase Agreement at any time. If, however, the Corporation is unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the 2020A Bonds are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Corporation shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10, shall continue in full force and effect. All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Agreement will be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, in the reasonable judgment of the Underwriter and counsel to the Underwriter, they are satisfactory in form and substance. The Underwriter hereby expressly reserves the right to waive any of the conditions to its obligations contained in this Purchase Agreement.

9. *Mutual Performance.* The obligations of the Corporation under this Purchase Agreement are subject to the performance by the Underwriter of its obligations under this Purchase Agreement.

10. *Continuation of Obligations.* All representations, warranties and agreements of the Corporation shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, and shall survive the Closing. The obligations of the Corporation under Section 10 shall survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

11. *Expenses.* The Corporation will use all reasonable efforts to cause the County to pay all expenses incident to the performance of its obligations under this Purchase Agreement, including, but not limited to, mailing or delivery of the 2020A Bonds, costs of printing the 2020A Bonds, the Preliminary Official Statement and the Final Official Statement, any amendment or supplement to the Preliminary Official Statement or the Final Official Statement and this Purchase Agreement, the cost of preparation (including printing, copying and distribution) of the Agreement, the Deed of Trust and the Trust Agreement, expenses related to obtaining the ratings on the 2020A Bonds and pricing activity, fees and disbursements of Bond Counsel, fees and disbursements of counsel to the County, fees and disbursements of Trustee's counsel, fees and disbursements of Trustee's counsel, fees and disbursements of Underwriter's counsel, the financial advisor, fees and disbursements of the Corporation's counsel, fees and expenses of the County's accountants, any fees charged by investment rating agencies for the rating of the 2020A Bonds, fees of the Local Government Commission and any paying agent fees and additional miscellaneous fees and costs incurred in connection with and related to the transaction, including without limitation, meals, transportation, lodging and entertainment of employees. Such payment may be in the form of inclusion of such expenses in the expense component of the Underwriter's discount.

The Underwriter shall pay all advertising expenses and blue sky expenses in connection with the public offering of the 2020A Bonds and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the 2020A Bonds, excluding fees and disbursements of Underwriter's counsel, the CUSIP Service Bureau service charge for the assignment of CUSIP numbers for the 2020A Bonds, fees charged by the North Carolina Municipal Council. The Corporation shall not be liable for payment of any of the above expenses, fees or disbursements, nor any other expenses, fees or disbursements which are charged or shall arise as a result of the delivery of the 2020A Bonds.

12. *Notices.* Any notice or other communication to be given to the County under this Purchase Agreement may be given by delivering the same in writing to County of Durham, 200 East Main Street, Floor 4M, Durham, North Carolina 27312, Attention: Chief Financial Officer. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to PNC Capital Markets LLC, 4720 Piedmont Row, Suite 200, Attention: David Fischer. Any notice or other communication to be given to the Corporation under this Purchase Agreement may be given by delivering the same in writing to the Durham Capital Financing Corporation [c/o Parker Poe Adams & Bernstein LLP, 150 Fayetteville Street, Suite 1400, Raleigh, North Carolina 27601, Attention: Rebecca Joyner.]

13. *Benefits of Purchase Agreement.* This Purchase Agreement is made solely for the benefit of the Underwriter and the Corporation and their respective successors or assigns,

and no other person, including any purchaser of the 2020A Bonds, shall acquire or have any right hereunder or by virtue hereof.

14. *No Advisory or Fiduciary Role.* The Corporation acknowledges and agrees that: (a) the primary role of the Underwriter, as underwriter, is to purchase the 2020A Bonds, for resale to investors, in an arm's length commercial transaction between the Corporation and the Underwriter and the Underwriter has financial and other interests that differ from those of the Corporation; (b) the Underwriter is acting solely as (1) principal and is not acting as (2) municipal advisor, financial advisor or fiduciary to the Corporation and has not assumed any advisory or fiduciary responsibility to the Corporation with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Corporation on other matters); (c) the only obligations the Underwriter has to the Corporation with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (d) the Corporation has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

15. *Approvals by Underwriter.* The approval of the Underwriter in connection with this Purchase Agreement or any document contemplated by it will be in writing signed by the Underwriter and delivered to the Corporation or the County.

16. *Assignment.* This Purchase Agreement may not be assigned by the Corporation without the prior written consent of the Underwriter. Any assignment for which consent is not given will be void.

17. *Business Days.* The term "business day" as used in this Purchase Agreement will mean any day on which the New York Stock Exchange is open for business.

18. *Severability.* If any one or more of the provisions of this Purchase Agreement is, for any reason, held to be illegal or invalid, such illegality or invalidity will not affect any other provisions of this Purchase Agreement and this Purchase Agreement will be construed and enforced as if such illegal or invalid provisions had not been contained herein.

19. *Governing Law.* This Purchase Agreement is governed by and is to be construed in accordance with the laws of the State of North Carolina.

20. *Effective Date; Counterparts.* This Purchase Agreement shall become effective on your acceptance hereof. This Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. *E-Verify.* The Underwriter understands that "E-Verify" is defined by Section 64-25(5) of the General Statutes of North Carolina, as amended, as a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees. The Underwriter uses E-Verify to verify the work authorization of their employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended.

Any entity to which any of the Underwriter's obligations under this Purchase Agreement are subcontracted will comply with the requirements of E-Verify.

22. *Survival of Representations and Warranties.* Notwithstanding any provisions herein to the contrary, any and all representations, warranties and agreements in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the 2020A Bonds hereunder and (c) any termination of this Purchase Agreement.

[Signatures follow]

Very truly yours,

BOA SECURITIES, INC.,
on behalf of itself and PNC Capital Markets LLC

By: _____
D. Scott Detar, Jr.
Director

Accepted and confirmed as of
the date first above written:

DURHAM CAPITAL FINANCING CORPORATION

By: _____
Name:
Title:

[Signature page for Contract of Purchase relating to Limited Obligation Bonds (County of
Durham, North Carolina), Series 2020A]

EXHIBIT A

LETTER OF REPRESENTATION

BofA Securities, Inc.
Charlotte, North Carolina

PNC Capital Markets LLC
Charlotte, North Carolina

[\$Amount]
Durham Capital Financing Corporation
Limited Obligation Bonds
(County of Durham, North Carolina)
Series 2020A

Ladies and Gentlemen:

This letter is being delivered to BoA Securities, Inc. and PNC Capital Markets LLC (the “*Underwriters*”), in consideration for your entering into a Contract of Purchase dated the date hereof (the “*Purchase Contract*”) with Durham Capital Financing Corporation (the “*Corporation*”) for the purchase of the above-referenced bonds (the “*2020A Bonds*”). Pursuant to the Purchase Contract, the Underwriters have agreed to purchase from the Corporation, and the Corporation has agreed to sell to the Underwriters the 2020A Bonds. In order to induce the Corporation to enter into the Purchase Contract and as consideration for the execution, delivery and sale of the 2020A Bonds by the Corporation and the purchase of them by the Underwriters, the County makes the representations, warranties and covenants contained in this letter. Unless the context clearly indicates otherwise, each capitalized term used in this letter (the “*Letter of Representation*”) has the meaning set forth in the Purchase Contract.

1. ***Approval of Official Statement.*** The County hereby authorizes and approves the Preliminary Official Statement dated January __, 2020 (the “*Preliminary Official Statement*”) and the final Official Statement dated January __, 2020 relating to the 2020A Bonds (the “*Final Official Statement*”), the Preliminary Official Statement and any amendments or supplements that may be authorized for use with respect to the 2020A Bonds are herein referred to collectively as the “*Official Statement*”), and consents to their distribution and use by the Underwriters.

The County agrees to deliver to the Underwriters, at such addresses as the Underwriters specify, as many copies of the Final Official Statement as the Underwriters reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Rule*”) and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The County agrees to deliver such Final Official Statements within seven business days after the execution hereof.

The County will take all actions and provide all information reasonably requested by the Underwriters to ensure that the Official Statement at all times during the initial offering and distribution of the 2020A Bonds does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Neither the Corporation nor the County will amend or supplement, or approve any amendment or supplement of, the Official Statement without the prior written consent of the Underwriters (which consent will not be unreasonably withheld); provided, however, that, if between the date of the Purchase Contract and 25 days from the end of the underwriting period, as defined below, any event occurs or any fact is disclosed which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, the Corporation or the County, as the case may be, will promptly notify the Underwriters, and, if in the opinion of the Underwriters such event or disclosure requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation or the County will supplement or amend the Official Statement in the form and manner approved by the Underwriters. For the purpose of the Purchase Contract, the “end of the underwriting period” will mean the date 60 days after the Closing Date.

The County represents and warrants that (a) it has deemed the Preliminary Official Statement final as of its date except for omitted information permitted under paragraph (b)(1) of the Rule and (b) the Final Official Statement constitutes as of this date a final official statement within the meaning of paragraph (e)(3) of the Rule.

2. ***Representations, Warranties and Covenants of County.*** The County represents and warrants to and agrees with the Underwriters that:

(a) the County is a political subdivision, validly organized and existing under the laws of the State of North Carolina;

(b) on the date hereof and at the Closing Date, the statements and information contained in the Official Statement with respect to the affairs of the County, including the information contained under the captions “**THE PROJECT**,” “**THE PLAN OF FINANCE**” and “**LEGAL MATTERS -- LITIGATION**” (with respect to the County) and in **Appendix A** thereto, are and will be true, correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(c) the excerpts from the audited financial statements of the County for the year ended June 30, 2019, included in **Appendix B** to the Official Statement, present fairly the financial position of the County for the period specified, and the audited financial statements for the year ended June 30, 2019 have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the period involved, except as otherwise stated in the notes thereto;

(d) other than as set forth in or contemplated by the Official Statement, since June 30, 2019, there has been no material adverse change in the general affairs, financial position, results of operations or condition, financial or otherwise, of the County, and the County has not incurred liabilities that would materially affect the ability of the County to discharge its obligations under this Letter of Representation and the Agreement, direct or contingent;

(e) except as otherwise described in the Official Statement, the County has received and there remain currently in full force and effect, or will receive prior to the delivery of the 2020A Bonds, all consents, approvals, authorizations and orders of governmental or regulatory authorities that would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the County of its obligations under this Letter of Representation, the Agreement and the Deed of Trust;

(f) at meetings of the Board of Commissioners for the County that were duly called and at which quorums were present and acting throughout, the County duly approved the execution and delivery by the County of this Letter of Representation, the Agreement and the Deed of Trust;

(g) the approval, execution and delivery of this Letter of Representation, the Agreement, the Escrow Agreement and the Deed of Trust by the County and compliance with the provisions hereof and thereof, under the circumstances contemplated thereby and hereby, do not and will not conflict with, constitute a breach of or default under, or result in the creation of a lien on any property of the County (except as contemplated therein) pursuant to applicable law or any indenture, bond order, deed of trust, mortgage, agreement or other instrument to which the County is a party or by which the County is bound, or conflict with or violate any applicable law, administrative rule, regulation, judgment, court order or consent decree to which the County is subject;

(h) to the best of its knowledge, after due and reasonable investigation, there is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of its knowledge, threatened (1) contesting the corporate existence or powers of the County or the titles of the officers of the County to their respective offices, (2) seeking to prohibit, restrain or enjoin the collection of revenues by the County or the application of the proceeds of the 2020A Bonds wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position of the County or the operation of its facilities or the validity or enforceability of this Letter of Representation, the Agreement, the Escrow Agreement or the Deed of Trust, (3) contesting, questioning or affecting the validity of this Letter of Representation, the Agreement or the Deed of Trust, or (4) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement (nor, to the best knowledge of the County, is there any basis therefor);

(i) the County is not in default on the payment of the principal of or interest on any indebtedness for borrowed money or under any instrument relating to such

indebtedness and, to the best of its knowledge, no event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute a material event of default under any such instrument, and, to the best of its knowledge, no event has occurred which with the passage of time or the giving of notice, or both, would constitute a material event of default as defined in the Agreement;

(j) the County will furnish such information and will cooperate with the Underwriters in taking such actions as the Underwriters may reasonably request to qualify the 2020A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of any state and other jurisdictions of the United States which the Underwriters may designate provided, however, that the County will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with such qualification;

(k) the County will take all action and provide all information required to be taken or provided by the Corporation under the Purchase Contract in connection with the preparation and distribution of the Official Statement, and the terms and conditions of the Purchase Contract relating to such preparation and distribution, including without limitation the provisions of Section 2 thereof, are incorporated by reference in this Letter of Representation, *mutatis mutandis*;

(l) on the Closing Date, this Letter of Representation, the Agreement, the Escrow Agreement and the Deed of Trust will have been duly authorized, executed and delivered and will constitute valid and binding obligations of the County enforceable in accordance with their terms (except insofar as the enforcement thereof may be limited by bankruptcy, insolvency or similar laws relating to the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion);

(m) if, at any time prior to the earlier of (1) receipt of notice from the Underwriters pursuant to Section 2(d) of the Purchase Contract that Official Statements are no longer required to be delivered under the Rule or (2) 85 days after the Closing, any event occurs as a result of which the Preliminary Official Statement or the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, the County shall promptly notify the Underwriters thereof in writing; provided, however, that the County shall have such obligations with respect to information in the Preliminary Official Statement and Final Official Statement concerning and supplied by the Underwriters only to the extent the County has actual knowledge or notice of any such event; any information supplied by the County for inclusion in any amendments or supplements to the Preliminary Official Statement or Final Official Statement will not contain any untrue statement of a material fact relating to the County or omit to state any material fact relating to the County which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; and on the request of the Underwriters therefor, the County shall prepare and deliver to the Underwriters at the County's expense as many copies of an amendment or supplement

which will correct any untrue statement or omission as the Underwriters may reasonably request;

(n) the County acknowledges receipt of the disclosure and acknowledgment letter from the Underwriter, as required by MSRB Rule G-17;

(o) except as disclosed in the Official Statement during the past five years, the County has not knowingly failed to comply with its previous continuing disclosure obligations;

(p) the County will comply with the information reporting requirements adopted by the Securities and Exchange Commission or the Municipal Securities Rulemaking Board (the “MSRB”) with respect to tax-exempt obligations such as the 2020A Bonds; in particular, the County will undertake, in accordance with the requirements of the Rule, in the Agreement to provide or cause to be provided:

(1) by not later than seven months after the end of each fiscal year, beginning with the fiscal year ending June 30, 2020, to the MSRB, the audited financial statements of the County 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 are not then available, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each fiscal year, beginning with the fiscal year ending June 30, 2020, to the MSRB, (a) 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 in Appendix A of the Official Statement under the captions “**DEBT INFORMATION**” and “**TAX INFORMATION**” therein (excluding any information on overlapping or underlying debt) and (b) the combined budget of the County for the current fiscal year, to the extent such items are not included financial information listed above;

(3) in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB, notice of the occurrence of any of the events with respect to the 2020A Bonds set forth in Rule 15c2-12(b)(5)(i)(C); and

(4) in a timely manner, to the MSRB, notice of the failure by the County to provide the required annual financial information or operating data described in (1) and (2) above on or before the date specified.

3. ***Indemnification.***

(q) To the fullest extent permitted by applicable law, the County agrees to indemnify and hold harmless the Underwriter against any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities or claims (or actions in respect thereof), to which the Underwriter or the other persons described in subsection (b) of this Section may become subject under any federal or state securities laws or other statutory law or at common law or otherwise, caused by or arising out of or based upon any breach (or alleged breach) by the County of any of the covenants, representations or warranties herein or any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Official Statement or caused by any omission or alleged omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(r) The indemnity provided under this Section will extend to the extent permitted by applicable law upon the same terms and conditions to each officer, director, employee or agent of the Underwriter, and each person, if any, who controls either of the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended or Section 20 of the Securities Exchange Act of 1934, as amended. Such indemnity will also extend, without limitation, to any and all expenses whatsoever reasonably incurred by any indemnified party in connection with investigation, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any such loss, damage, expense, liability, or claim (or action in respect thereof), whether or not resulting in any liability, and will include the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein if such settlement is effected with the written consent of the County.

(s) Within a reasonable time after an indemnified party under subsections (a) and (b) of this Section has been served with the summons or other first legal process or has received written notice of the threat of a claim in respect of which an indemnity may be claimed, such indemnified party must, if a claim for indemnity in respect thereof is to be made against the County under this Section, notify the County in writing of the commencement thereof; but the omission to so notify the County will not relieve it from any liability that it may have to any indemnified party other than pursuant to subsections (a) and (b) of this Section. The County will be entitled to participate at its own expense in the defense, and if the County so elects within a reasonable time after receipt of such notice, or if all indemnified parties seeking indemnification in such notice so direct, the County must, to the fullest extent permitted by applicable law, assume the defense of any suit brought to enforce any such claim, and such defense will be conducted by counsel chosen promptly by the County and reasonably satisfactory to the indemnified party; provided, however, that, if the defendants in any such action include such an indemnified party and the County, or include more than one indemnified party, and any such indemnified party has been advised by its counsel that there may be legal defenses available to such indemnified party that are different from or additional to those available

to the County or another indemnified party, and that in the reasonable opinion of such counsel are sufficient to make it undesirable for the same counsel to represent such indemnified party and the County, or another defendant indemnified party, such indemnified party will have the right to employ separate counsel in such action (and the County will not be entitled to assume the defense thereof on behalf of such indemnified party), and in such event the reasonable fees and expenses of such counsel will, to the fullest extent permitted by applicable law, be borne by the County. Nothing contained in this subsection (c) will preclude any indemnified party, at its own expense, from retaining additional counsel to represent such party in any action with respect to which indemnity may be sought from the County hereunder.

(t) If the indemnification provided for in subsections (a) and (b) of this Section is unavailable to or insufficient to hold harmless and indemnify any indemnified party in respect of any losses, damages, expenses, liabilities, or claims (or actions in respect thereof) referred to therein, then the County, to the fullest extent permitted by applicable law, on the one hand, and the Underwriter, on the other hand, will contribute to the amount paid or payable by the indemnified party as a result of such losses, damages, expenses, liability or claims (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the County on the one hand and the Underwriter on the other hand from the offering of the 2020A Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required under the subsection (c) above, then the County, to the extent permitted by applicable law, on the one hand and the Underwriter on the other hand will contribute to such amount paid or payable by the indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the County on the one hand and the Underwriter on the other in connection with the statements or omissions that resulted in such losses, damages, expenses, liabilities or claims (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the County on the one hand and the Underwriter on the other hand will be deemed to be in such proportion so that the Underwriter are responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriter hereunder (i.e., the excess of the aggregate public offering price for the 2020A Bonds as set forth on the inside cover page of the Official Statement over the price to be paid by the Underwriter to the County upon delivery of the 2020A Bonds as specified in Section 1 of the Purchase Agreement) bears to the aggregate public offering price as described above, and the County is responsible for the balance. The relative fault will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the County on the one hand or the Underwriter on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

In the event the Underwriter has knowledge of a claim subject to the contribution provided by this subsection (d), the Underwriter agrees within a reasonable time of obtaining such knowledge, to convey notice of such claim to the County. It is agreed and understood that if the Underwriter fails under the circumstances set forth in the preceding sentence, to convey the

above-referenced notice to the County, then the County will not be obligated to provide contribution pursuant to this subsection (d).

The County and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by any method of allocation that does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, damages, expenses, liabilities or claims (or actions in respect thereof) referred to in this subsection (d) will be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

Notwithstanding the provisions of this subsection (d), the Underwriter has no obligation under this subsection (d) to contribute an amount in excess of the amount of its compensation under the Purchase Agreement and this Letter of Representation.

(u) The indemnity and contribution provided by this Section will be in addition to any other liability that the County may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of the Underwriter and each director, officer, employee, agent, attorney and controlling person referred to therein, and their respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Letter of Representation.

4. *Survival of Representations, Warranties and Covenants.* All representations, warranties and agreements in this Letter of Representation will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the 2020A Bonds hereunder, and (c) any termination of the Purchase Agreement.

5. *No Advisory or Fiduciary Role.* The County acknowledges and agrees that: (a) the primary role of the Underwriter, as underwriter, is to purchase the 2020A Bonds, for resale to investors, in an arm's length commercial transaction between the Corporation and the Underwriter and the Underwriter has financial and other interests that differ from those of the County; (b) the Underwriter is acting solely as (1) principal and is not acting as (2) municipal advisor, financial advisor or fiduciary to the County and has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters); (c) the only obligations the Underwriter has to the County with respect to the transaction contemplated hereby expressly are set forth in the Purchase Agreement; and (d) the County has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

[Remainder intentionally left blank.]

6. *Binding on Successors and Assigns.* This Letter of Representation will be binding upon the County and the successors and assigns of the County and inure solely to the benefit of the Underwriter and, to the extent set forth herein, any director, officer, employee, or agent of the Underwriter and, to the extent set forth herein, persons controlling the either of the Underwriter, and its personal representatives, successors and assigns, and no other person or firm or entity will acquire or have any right under or by virtue of this Letter of Representation. Acceptance of this Letter of Representation by the Underwriter is waived.

Very truly yours,

COUNTY OF DURHAM, NORTH CAROLINA

By: _____
Susan F. Tezai, Chief Financial Officer

[SEAL]

[Signature page for Letter of Representations relating to
Limited Obligation Bonds
(County of Durham, North Carolina), Series 2020A]

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Letterhead of Bond Counsel]

January 27, 2020

BoA Securities, Inc.
Charlotte, North Carolina

PNC Capital Markets LLC
Charlotte, North Carolina

**[\$Amount]
Limited Obligation Bonds
(County of Durham, North Carolina), Series 2020A**

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Durham, North Carolina (the “*County*”) in connection with the execution and delivery on the date hereof of the \$[Amount] Limited Obligation Bonds (County of Durham, North Carolina), Series 2020A (the “*2020A Bonds*”), which evidence proportionate undivided interests in installment payments (the “*Installment Payments*”) to be made with respect to an Installment Financing Agreement dated as of March 1, 2013 (as amended, the “*Agreement*”), between Durham Capital Financing Corporation (the “*Corporation*”) and the County of Durham, North Carolina (the “*County*”), as amended by Amendment Number One to the Installment Financing Agreement dated as of January 1, 2020 (the “*First Amendment to the Agreement*”), between the Corporation and the County. The 2020A Bonds are being purchased today by BoA Securities, Inc. and PNC Capital Markets LLC (together, the “*Underwriter*”), pursuant to a Contract of Purchase dated January __, 2020 (the “*Purchase Agreement*”), between the Corporation and the Underwriter. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Purchase Agreement.

In our capacity as Bond counsel, we have on this date delivered our principal opinion relating to the Agreement and the 2020A Bonds, the legality of the authorization and execution and delivery thereof and certain other matters, which opinion may be relied upon by you to the same extent as if addressed to you.

In connection with this opinion, we have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of various documents, certificates and opinions of counsel (including the opinion dated the date hereof of Lowell Siler, Esq., County Attorney) and the final Official Statement dated January __, 2020, with respect to the 2020A Bonds (the “*Official Statement*”), and have examined such other documents, certificates, opinions of counsel, instruments and records, and have made such investigations of law, as we

have deemed necessary and appropriate as a basis for the opinions hereinafter expressed. In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of originals of such copies. As to any facts material to this opinion that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the County, the Corporation and others.

On the basis of and in reliance upon the foregoing, we are of the opinion that :

1. The statements in the Official Statement on the cover page and under the headings **“INTRODUCTION—Security” and “—The 2020A Bonds” and “—Additional Bonds” “THE 2029 BONDS”, “SECURITY AND SOURCES OF PAYMENT OF 2020 BONDS,” “AVAILABLE SOURCES FOR PAYMENT OF INSTALLMENT PAYMENTS” and “CONTINUING DISCLOSURE”** (except for the last paragraph under such heading as to which no opinion is expressed) and in **Appendix C - “SUMMARY OF PRINCIPAL DOCUMENTS,”** to the extent such statements purport to summarize certain terms of the Agreement, the Deed of Trust, the Trust Agreement and the 2020A Bonds, fairly and accurately summarize such terms. The statements contained in the Official Statement under the headings **“INTRODUCTION—TAX STATUS” and “TAX TREATMENT”** present fairly and accurately the matters referred to therein.

2. The 2020A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

This opinion is furnished to you solely for your benefit and may not be used, circulated, quoted or otherwise referred to without our prior written consent.

Very truly yours,

EXHIBIT C
FORM OF OPINION OF COUNSEL FOR THE COUNTY

[Letterhead of Lowell Siler, Esq.]

January 27, 2020

County of Durham, North Carolina
Durham, North Carolina

BoA Securities, Inc.
Charlotte, North Carolina

Durham Capital Financing Corporation
Durham, North Carolina

PNC Capital Markets LLC
Charlotte, North Carolina

Parker Poe Adams & Bernstein LLP
Raleigh, North Carolina

U.S. Bank National Association
Raleigh, North Carolina

[\$Amount]
Limited Obligation Bonds
(County of Durham, North Carolina), Series 2020A

Ladies and Gentlemen:

We have acted as counsel to the County of Durham, North Carolina (the “*County*”) and have served in such capacity in connection with the execution and delivery of the \$[Amount] Limited Obligation Bonds (County of Durham, North Carolina), Series 2020A (the “*2020A Bonds*”), which are being purchased by BoA Securities, Inc. and PNC Capital Markets LLC (together, the “*Underwriter*”) pursuant to the Contract of Purchase dated January __, 2020 (the “*Purchase Agreement*”), between the Durham Capital Financing Corporation (the “*Corporation*”) and the Underwriter. All capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Purchase Agreement. This opinion letter is being delivered pursuant to Section 6(e)(iii)(3) of the Purchase Agreement. The 2020A Bonds evidence proportionate undivided interests in installment payments (the “*Installment Payments*”) to be made with respect to an Installment Financing Agreement dated as of March 1, 2013 (as amended, the “*Agreement*”), between the Corporation and the County, as amended by Amendment Number One to the Installment Financing Agreement dated as of January 1, 2020 (the “*First Amendment to the Agreement*”), between the Corporation and the County. The 2020A Bonds will be executed and delivered pursuant to a Trust Agreement dated as of March 1, 2013 (as supplemented, the “*Trust Agreement*”), between the Corporation and U.S. Bank National Association (the “*Trustee*”), as supplemented by Supplemental Trust Agreement, Number 1, dated as of January 1, 2020, between the Corporation and the Trustee.

We have examined documents related to the transactions contemplated by the Trust Agreement, the Agreement, the Escrow Agreement the Purchase Agreement, the Letter of Representation dated January __, 2020 delivered pursuant to the Purchase Agreement (the “*Letter of Representation*”) and the Deed of Trust (the Agreement, the Purchase Agreement, the

Letter of Representation, the Escrow Agreement, the Deed of Trust and such other documents as applicable to the County are hereinafter collectively referred to as the “*County Documents*”, including documents pertaining to a County public hearing held on February 11, 2013 (as evidenced by the related published Notice of Public Hearing), together with the related proceedings pertaining to the public hearing and the Resolutions of the County (the “*Resolutions*”) adopted at a meeting of the Board of Commissioners of the County on December 9, 2019, approving the transactions contemplated thereby.

In connection with this opinion, we also have examined originals, or copies identified to our satisfaction, of such other documents, instruments, certificates and records as we have considered appropriate in order to render our opinions contained herein. Where we have considered it appropriate, as to certain facts we have relied, without investigation or analysis of any underlying data contained therein, upon certificates or other comparable documents of public officials or other appropriate representatives of the County.

In rendering the opinions set forth herein, we have assumed, among other things, the legal capacity of all natural persons, the genuineness of all signatures not signed in our presence, the authenticity of all documents submitted to us as originals, that all documents submitted to us as copies conform with the originals thereof, that the County Documents fully state the agreement between the County and the other parties thereto, and that the County Documents constitute the legal, valid and binding obligation of the parties thereto other than the County, enforceable in accordance with their respective terms.

The opinions set forth herein are limited to matters governed by the laws of the State of North Carolina and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. We express no opinion concerning any matter respecting or affected by any laws other than laws that a lawyer in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the County, the 2020A Bonds or both of them.

Based upon and subject to the foregoing and the further limitations and qualifications hereinafter expressed, it is our opinion that:

1. The County is a political subdivision of State of North Carolina duly organized and existing under the constitution and laws of the State of North Carolina, and has the full legal right, power and authority to execute and deliver the County Documents and to perform all of the obligations thereunder and as contemplated thereby.

2. The County Documents have each been duly authorized, executed and delivered by the County, and assuming due authorization, execution and delivery by the other parties thereto, each constitutes a valid and legally binding agreement of the County enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights heretofore or hereafter enacted or by equitable principles.

3. The County has duly approved the Preliminary Official Statement and the Official Statement and the use thereof by the Underwriter in connection with the offering and sale of the 2020A Bonds.

4. All consents, approvals or authorizations of any governmental entity and all filings required on the part of the County in connection with the execution and delivery of the 2020A Bonds and the authorization, execution and delivery of the County Documents and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect, except that we express no opinion as to any federal or state regulatory requirements of the Underwriter or any action required under federal or state securities or Blue Sky laws in connection with the offering and sale of the 2020A Bonds by the Underwriter.

5. To the best of our knowledge, the County is not in violation or breach of or in default under any applicable law or administrative regulation of the State of North Carolina or the United States or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the County is a party or is otherwise subject which violation, breach or default would in any way materially adversely affect the County's transactions contemplated by the County Documents or the execution and delivery of the 2020A Bonds, and, to the best of our knowledge, no event has occurred and is continuing which with the passage of time or giving of notice, or both, would constitute such a violation or breach thereof or default thereunder.

6. To the best of our knowledge, the execution and delivery of the County Documents by the County, and compliance with the provisions of each, do not and will not conflict with or constitute a breach or violation of or a default under any applicable law, rule or regulation of the United States or of the State of North Carolina or of any department, division, agency or instrumentality thereof having jurisdiction over the County or any applicable order, judgment or decree of any court of other governmental agency or body or any bond, note, loan agreement, resolution, certificate, agreement or other instrument to which the County is a party or by which it or its property is bound.

7. The Deed of Trust has been recorded in the Office of the Register of Deeds of Durham County. The recording of the Deed of Trust is effective and in accord with North Carolina law.

The opinions expressed above are subject to the following qualifications and limitations:

1. Enforcement of the County Documents is subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws affecting the enforcement of creditors' rights generally.

2. Enforcement of the County Documents is subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law) by which a court with proper jurisdiction may deny rights of specific performance, injunction, self-help, possessory remedies or other remedies.

3. Indemnification provisions in the County Documents are subject to and may be rendered unenforceable by applicable law or public policy, including applicable securities law.

[Insert other appropriate exceptions, if any]

We advise you that, to our knowledge, after reasonable investigation, there is no action, suit, proceeding or governmental investigation at law or in equity before or by any court, public board or body, pending of which the County has been served with a summons, summons and complaint or other notice of commencement, or threatened against the County, (a) to restrain or enjoin the execution or delivery of the 2020A Bonds, (b) challenging the validity of the Resolution, the County Documents, the 2020A Bonds or contesting the power and authority of the County to execute and deliver the County Documents or to consummate the transactions contemplated therein, or (c) adversely affecting the security for the 2020A Bonds.

In addition, we advise you that we have participated in the preparation of the Official Statement and that nothing has come to our attention that would lead us to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that we express no view about the information concerning the validity or tax status of the 2020A Bonds, The Depository Trust Company and the book-entry system for the 2020A Bonds, or about the financial and statistical data contained in the Official Statement); however, we have not independently verified the accuracy, completeness or fairness of any information provided to us by the County or any other person or the genuineness of any document provided to us by the County or any other person in connection with our participation in the preparation of the Official Statement.

This opinion is rendered solely for your benefit in connection with the subject transaction and may not be relied upon by you or any other person for any other purposes without our prior written consent.

Respectfully submitted,

EXHIBIT D
FORM OF OPINION OF COUNSEL FOR THE CORPORATION

[Letterhead of _____, counsel for the Corporation]

January 27, 2020

County of Durham, North Carolina
Durham, North Carolina

BoA Securities, Inc.
Charlotte, North Carolina

Durham Capital Financing Corporation
Durham, North Carolina

PNC Capital Markets LLC
Charlotte, North Carolina

U.S. Bank National Association
Charlotte, North Carolina

[\$Amount]
Limited Obligation Bonds
(County of Durham, North Carolina), Series 2020A

Ladies and Gentlemen:

We have acted as counsel to Durham Capital Financing Corporation (the “*Corporation*”), a nonprofit corporation organized under the Constitution and laws of the State of North Carolina, in connection with the execution and delivery by the Corporation of (1) its \$[Amount] Limited Obligation Bonds (County of Durham, North Carolina), Series 2020A (the “*2020A Bonds*”), (2) an Installment Financing Agreement dated as of March 1, 2013 (as amended, the “*Agreement*”), between the Corporation and the County, as amended by Amendment Number One to the Installment Financing Agreement dated as of January 1, 2020, (3) Trust Agreement dated as of March 1, 2013 (as supplemented, the “*Trust Agreement*”), between the Corporation and U.S. Bank National Association (the “*Trustee*”), as supplemented by Supplemental Trust Agreement, Number 1, dated as of January 1, 2020, and (4) the Contract of Purchase dated January __, 2020 (the “*Purchase Agreement*”), between the Corporation and BoA Securities, Inc., on behalf of itself and PNC Capital Markets LLC (together, the “*Underwriter*”). This opinion letter is delivered pursuant to Section 6(e)(iii)(4) of the Purchase Agreement.

In such capacity, we have examined the following:

13. The statutes, public records, proceedings, resolutions and documents in connection with the organization of the Corporation which we consider necessary for the purpose of this opinion;

14. Executed counterparts of the following documents (collectively, the “*Corporation Documents*”): (a) the Trust Agreement, (b) the Agreement, (c) the 2020A Bonds and (d) the Purchase Agreement; and

15. The Preliminary Official Statement January __, 2020, and the Official Statement dated January __, 2020 (together, the “*Official Statement*”) used in connection with the sale of the 2020A Bonds.

In connection with this opinion, we also have examined originals, or copies identified to our satisfaction, of such other documents, instruments, certificates and records as we have considered appropriate in order to render our opinions contained herein. Where we have considered it appropriate, as to certain facts we have relied, without investigation or analysis of any underlying data contained therein, upon certificates or other comparable documents of public officials or other appropriate representatives of the Corporation.

In rendering the opinions set forth herein, we have assumed, among other things, the legal capacity of all natural persons, the genuineness of all signatures not signed in our presence, the authenticity of all documents submitted to us as originals, that all documents submitted to us as copies conform with the originals thereof, that the Corporation Documents fully state the agreement between the Corporation and the other parties thereto, and that the Corporation Documents constitute the legal, valid and binding obligation of the parties thereto other than the Corporation, enforceable in accordance with their respective terms.

The phrases “to our knowledge” and “known to us” mean conscious awareness of lawyers in the primary lawyer group of factual matters such lawyers recognize as being relevant to the opinion or confirmation so qualified. “Primary lawyer group” means any lawyer in this firm (i) who signs this opinion letter, (ii) who is actively involved in negotiating or documenting the execution and delivery of the 2020A Bonds or the Corporation Documents, or (iii) solely as to information relevant to a particular opinion or factual confirmation issue, who is primarily responsible for providing the response concerning the particular opinion or issue.

The opinions set forth herein are limited to matters governed by the laws of the State of North Carolina and the federal laws of the United States, and no opinion is expressed herein as to the laws of any other jurisdiction. We express no opinion concerning any matter respecting or affected by any laws other than laws that a lawyer in North Carolina exercising customary professional diligence would reasonably recognize as being directly applicable to the Corporation, the 2020A Bonds or both of them.

Based upon the foregoing examination, we are of the opinion, as of the date hereof and under existing law, that:

1. The Corporation is a nonprofit corporation duly organized and validly existing in good standing under the laws of the State of North Carolina and has full power and authority to enter into and perform its obligations under the Corporation Documents and to execute and deliver the 2020A Bonds.

2. Each of the Corporation Documents has been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, each constitutes a valid and binding agreement of the Corporation enforceable in accordance with its terms, except that the enforceability of the Corporation Documents may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

3. The Corporation has duly approved the Preliminary Official Statement and the Official Statement and the use thereof by the Underwriter in connection with the offering and sale of the 2020A Bonds.

4. No further consent or approval of any governmental body is required to be obtained for the sale of the 2020A Bonds to the Underwriter or the execution and delivery of the Corporation Documents by the Corporation, except that we express no opinion as to any federal or state regulatory requirements of the Underwriter or any action required under federal or state securities or Blue Sky laws in connection with the offering and sale of the 2020A Bonds by the Underwriter.

5. The execution and delivery of the Corporation Documents by the Corporation, and compliance with the provisions thereof under the circumstances contemplated thereby, and the approval of the Preliminary Official Statement and the Official Statement, (a) are within the powers of the Corporation, (b) do not and will not conflict with the Corporation's articles of incorporation or bylaws, (c) to the best of our knowledge, do not and will not in any material respect conflict with, or constitute on the part of the Corporation a breach of or default under, any indenture, deed of trust, mortgage, agreement or other instrument to which the Corporation is a party, or conflict with, violate or result in a breach of any judgment, court order or consent decree to which the Corporation is subject and (d) to the best of our knowledge, do not and will not conflict with, violate or result in a breach of any existing law, public administrative rule or regulation to which the Corporation is subject.

The opinions expressed above are subject to the following qualifications and limitations:

1. Enforcement of the Corporation Documents is subject to the effect of applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws affecting the enforcement of creditors' rights generally.

2. Enforcement of the Corporation Documents is subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law) by which a court with proper jurisdiction may deny rights of specific performance, injunction, self-help, possessory remedies or other remedies.

3. Indemnification provisions in the Corporation Documents are subject to and may be rendered unenforceable by applicable law or public policy, including applicable securities law.

[Insert other appropriate exceptions, if any]

To the best of our knowledge after reasonable investigation, the statements contained in the Official Statement under the headings entitled “**THE CORPORATION**” and “**LEGAL MATTERS-Litigation**” (with respect to the Corporation only) are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they are made, not misleading.

Except as disclosed in the Official Statement, to the best of our knowledge, there is no action, suit, proceeding or governmental investigation at law or in equity before, or by, any court, public board or body, pending of which the Corporation has been served with a summons and complaint or other notice of commencement, or threatened against or affecting the Corporation, challenging the validity of the Corporation Documents or contesting the power and authority of the Corporation to execute and deliver the Corporation Documents or to consummate the transactions contemplated therein.

The opinions contained herein are limited to matters arising under the laws of the State of North Carolina and the federal laws of the United States of America.

This opinion is delivered to you and for your benefit in connection with the above transaction; it may not be relied upon by you for any other purposes and may not be relied upon by, nor may copies be provided to, any other person, firm, corporation or other entity without our prior written consent.

Very truly yours,

SCHEDULE I