

EXTRACT FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Durham, North Carolina, was duly held on January 28, 2019 at 7:00 p.m. in the Commissioners' Chambers on the 2nd Floor of the Durham County Government Administrative Complex at 200 East Main Street in Durham, North Carolina. Chair Wendy Jacobs, presiding.

The following Commissioners were present:

The following Commissioners were absent:

Commissioner _____ introduced the following resolution (the "*Resolution*"), a copy of which had been provided to each Commissioner:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$50,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 OF THE COUNTY OF DURHAM, NORTH CAROLINA

WHEREAS, the Bond Order (as defined below) has been adopted, and it is desirable to make provision for the issuance of the Bonds authorized by the Bond Order;

WHEREAS, the County of Durham, North Carolina (the "*County*") desires to issue its General Obligation Refunding Bonds, Series 2019 (the "*Bonds*") for the purposes described herein and to request that the Local Government Commission of North Carolina (the "*Commission*") sell the Bonds through a negotiated sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Bank, National Association (collectively, the "*Underwriters*") in accordance with the terms and conditions set forth in a Bond Purchase Agreement to be dated on or about February 14, 2019 (the "*Bond Purchase Agreement*") among the County, the Commission and the Underwriters;

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the County and have been made available to the Board:

1. the Bond Purchase Agreement; and
2. the Preliminary Official Statement with respect to the Bonds to be dated on or about February 5, 2019, together with the Official Statement with respect to the Bonds to be dated on or about February 14, 2019 (collectively, the "*Official Statement*");

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County (the "*Board*") as follows:

Section 1. For purposes of this Resolution, the following words have the meanings ascribed to them below:

"*2017 Bond Anticipation Note*" means the General Obligation Public Improvement Bond Anticipation Note, Series 2017 to be redeemed in accordance with the terms of this Resolution.

“*Bond Order*” means the bond order authorizing the issuance of \$50,000,000 General Obligation Refunding Bonds of the County of Durham, North Carolina adopted by the Board on January 28, 2019 and effective on its adoption.

“*Bonds*” means the County’s General Obligation Refunding Bonds, Series 2019, authorized under the Bond Order.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to the Code or to a section of the Code herein will be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto.

“*Federal Securities*” means, to the extent permitted by law, (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in (a) or (b) issued or held in the name of the trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; (c) any bonds or other obligations of the State of North Carolina or of any agency, instrumentality or local governmental unit of the State of North Carolina which are (i) not callable prior to maturity or (ii) as to which irrevocable instructions have been given to the trustee or escrow agent with respect to such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified, and which are rated by Moody’s, if the bonds are rated by Moody’s, and S&P, if the bonds are rated by S&P, and Fitch Ratings, if the bonds are rated by Fitch Ratings, within the highest rating category and which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) or (b) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; (d) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in (a) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in (a), and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; or (e) any other obligations permitted under the laws of the State of North Carolina for the defeasance of local government bonds.

“*Fiscal Year*” means a twelve-month period commencing on the first day of July of any year and ending on the 30th day of June of the succeeding year, or such other twelve-month period which may subsequently be adopted as the Fiscal Year of the County.

“*Fitch Ratings*” means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation for any reason no longer performs the functions of a securities rating agency, “Fitch Ratings” will refer to any other nationally recognized securities rating agency other than Moody’s and S&P designated by the County.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, “Moody’s” will be deemed to refer to any other nationally recognized rating agency other than S&P and Fitch Ratings designated by the County.

“Pricing Certificate” means the certificate of the County’s Chief Financial Officer delivered in connection with the issuance of the Bonds which establishes, with respect to the Bonds, the final maturity amounts, the interest payment dates and the provisions for redemption, all as agreed on in the Bond Purchase Agreement.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, *“S&P”* will be deemed to refer to any other nationally recognized rating agency other than Moody’s and Fitch Ratings designated by the County.

Section 2. The County shall issue its Bonds in an aggregate principal amount not to exceed \$50,000,000.

Section 3. The Bonds shall be dated as of their date of issuance. The Bonds shall pay interest semiannually on June 1 and December 1, beginning June 1, 2019, unless the Chief Financial Officer establishes different dates in her Pricing Certificate. The Bonds are being issued to (1) refund the 2017 Bond Anticipation Note pursuant to and in accordance with the Bond Order and (2) pay the costs of issuing the Bonds.

Section 4. The Bonds are payable in annual installments on June 1 in each year, unless the Chief Financial Officer establishes a different date in her Pricing Certificate. The maturities of the Bonds will be as set forth in the Pricing Certificate.

Section 5. The Bonds are to be numbered from “R-1” consecutively and upward and shall bear interest from their date at a rate or rates which will be hereafter determined on the sale thereof computed on the basis of a 360-day year of twelve 30-day months.

Section 6. The Bonds are to be registered as to principal and interest, and the Chief Financial Officer is directed to maintain the registration records with respect thereto. The Bonds shall bear the original or facsimile signatures of the Chairman of the Board or the County Manager and the Clerk to the Board. An original or facsimile of the seal of the County is to be imprinted on each of the Bonds.

Section 7. The Bonds will initially be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (*“DTC”*), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds in immediately available funds. The principal of and interest on the Bonds will be payable to owners of Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Chief Financial Officer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the County will discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County will authenticate and deliver replacement bonds in accordance with DTC’s rules and procedures.

Section 8. If the Pricing Certificate designates a date for the Bonds on and after which the Bonds are subject to redemption, then such Bonds are subject to redemption before maturity, at the option of the County, from any money that may be made available for such purpose, either in whole or in part on any date on or after the date set forth in the Pricing Certificate, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, with such redemption premium, if any, designated for the Bonds in the Pricing Certificate.

If the Bonds are subject to optional redemption and if less than all the Bonds are called for redemption, the County shall select the maturity or maturities of the Bonds to be redeemed in such manner as the County in its discretion may determine, and DTC and its participants shall determine which Bonds within a maturity are to be redeemed in accordance with its rules and procedures; *provided, however*, that the portion of any Bond to be redeemed must be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond is to be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. When the County elects to redeem any Bonds, notice of such redemption of such Bonds, stating the redemption date, redemption price, any conditions to the redemption and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there are due and payable on each Bond or portion thereof so to be redeemed, the principal thereof and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, is to be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of such Bonds, by prepaid certified or registered United States mail (or by such other means as may be permitted by DTC's rules and procedures), at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC, or its nominee, is not the registered owner of such Bonds, the County will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of such Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the County. The County will also mail or transmit by facsimile or electronic submission a copy of the notice of redemption within the time set forth above (1) to the Local Government Commission of North Carolina (the "*Local Government Commission*") and (2) to the Municipal Securities Rulemaking Board (the "*MSRB*") through the Electronic Municipal Market Access ("*EMMA*") system or other electronic format as prescribed by the MSRB.

If at the time of mailing of the notice of redemption there is not on deposit money sufficient to redeem the Bonds called for redemption, such notice may state that it is conditional on the deposit of money for the redemption on the date of redemption as set forth in the notice. Any notice, once given, may be withdrawn by notice delivered in the same manner as the notice of redemption was given.

Section 9. The Bonds and the provisions for the registration of the Bonds and for the approval of the Bonds by the Secretary of the Local Government Commission are to be in substantially the form set forth in the Appendix A hereto, the terms of which may be changed by the County Chief Financial Officer's Pricing Certificate.

Section 10. The Chief Financial Officer is hereby authorized to execute a no-arbitrage certificate with respect to the Bonds in order to comply with Section 148 of the Code.

Section 11. From the proceeds from the sale of the Bonds, the State Treasurer shall transfer or cause to be transferred on the date the Bonds are issued (1) to Bank of America, N.A., as holder of the 2017 Bond Anticipation Note, an amount sufficient to redeem the 2017 Bond Anticipation Note and (2) to the County, the balance of the proceeds from the sale of the Bonds. Any proceeds of the Bonds to be used to pay the costs of issuance of the Bonds shall be accounted for in a separate segregated account held by the County and invested and reinvested by the Chief Financial Officer as permitted by the laws of the

State of North Carolina. The Chief Financial Officer shall keep and maintain adequate records pertaining to such account and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County maintains its covenants with respect to the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. To the extent any funds remain in such account 90 days after the Bonds are issued (or sooner at the discretion of the Chief Financial Officer), the Chief Financial Officer shall apply them to pay interest on the Bonds on the next interest payment date therefor.

Section 12. Actions taken by officials of the County to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, as amended, are hereby authorized and approved.

Section 13. The Commission is hereby requested to sell the Bonds through a negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Agreement at a true interest cost not to exceed 4%. The form and content of the Bond Purchase Agreement are in all respects approved and confirmed, and the Chairman of the Board or the County Manager is hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Bond Purchase Agreement for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreement, the Chairman of the Board, the County Manager and the Chief Financial Officer are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 14. The Chairman of the Board, the County Manager, the Chief Financial Officer and the Clerk to the Board of the County are each hereby authorized, empowered and directed to cause the Bonds to be prepared and, when they shall have been duly sold by the Commission, to execute the Bonds and to turn the Bonds over to the registrar and transfer agent of the County for delivery through the facilities of DTC to the Underwriters.

Section 15. The form and content of the Official Statement are in all respects authorized, approved and confirmed, and the County Manager and Chief Financial Officer are authorized, empowered and directed, individually and collectively, to deliver the Official Statements in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, the delivery thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein.

Section 16. The Chairman of the Board, the County Manager, the Chief Financial Officer and the Clerk to the Board of the County, individually or collectively, are authorized, empowered and directed to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated hereinabove or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 17. The County agrees, in accordance with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and for the benefit of the registered owners and beneficial owners of the Bonds, to provide to the MSRB:

(a) by not later than seven months after the end of each Fiscal Year beginning with the Fiscal Year ending June 30, 2019, the audited financial statements of the County for the preceding 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;

(b) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2019, 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 under the captions “**THE COUNTY--DEBT INFORMATION**” and “**---TAX INFORMATION**” (excluding information on overlapping and underlying units) in the Official Statement referred to in Section 15, to the extent such items are not included in the audited financial statements referred to in clause (a) above;

(c) in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (7) modification of the rights of the beneficial owners of the Bonds, if material;
- (8) call of any of the Bonds, if material, and tender offers;
- (9) defeasance of any of the Bonds;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the County;
 - (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
 - (14) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
 - (15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties; and
- (d) in a timely manner, notice of a failure of the County to provide required annual financial information described in (a) or (b) above on or before the date specified.

The County agrees to provide all documents described in this Section in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The County may discharge its undertaking described above by providing such information in a manner the SEC subsequently authorizes in lieu of the manner described above.

The County agrees that its undertaking under this Section is intended to be for the benefit of the registered owners and the beneficial owners of the Bonds and is enforceable by any of the registered owners and the beneficial owners of the Bonds then outstanding, including an action for specific performance of the County's obligations under this Section, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the Bonds. An action must be instituted, had and maintained in the manner provided in this Section for the benefit of all of the registered owners and beneficial owners of the Bonds.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the County;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances; and
- (3) any such modification does not materially impair the interest of the

registered owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the Bonds then outstanding.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the Bonds.

Section 18. Portions of this Resolution may be amended or supplemented from time to time without the consent of the registered owner of the Bonds if, in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the owner of the Bonds and would not cause the interest on the Bonds to be included in the gross income of a recipient thereof for federal income tax purposes. This Resolution may be amended or supplemented with the consent of the owners of a majority in aggregate principal amount of the outstanding Bonds, exclusive of Bonds, if any, owned by the County; *provided, however*, without the express consent of the owner of any Bond, no modification or amendment to such Bond may reduce the principal amount of such Bond, reduce the interest rate payable on such Bond, extend its maturity or the times for paying interest, change the monetary medium in which principal and interest is payable or reduce the percentage of consent required for amendment or modification.

Any act done pursuant to a modification or amendment consented to by the owner of the Bonds is binding on the owner of the Bonds and will not be deemed an infringement of any of the provisions of this Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent has been given, the owner of the Bonds shall have no right or interest to object to the action, to question its propriety or to enjoin or restrain the County from taking any action pursuant to a modification or amendment.

If the County proposes an amendment or supplemental resolution to this Resolution requiring the consent of the owner of the Bonds, the registrar for the Bonds shall, on being satisfactorily indemnified with respect to expenses, cause notice of the proposed amendment to be sent to such owner by first-class mail, postage prepaid, to the address of such owner as it appears on the registration books; but the failure to receive such notice by mailing by any owner, or any defect in the mailing thereof, will not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the designated office of the registrar for the Bonds for inspection by the owner of the Bonds. If, within 60 days or such longer period as shall be prescribed by the County following the giving of such notice, the owner of the Bonds has consented to the proposed amendment, the amendment will be effective as of the date stated in the notice.

Section 19. Nothing in this Resolution precludes (a) the payment of the Bonds from the proceeds of refunding bonds or (b) the payment of the Bonds from any legally available funds.

If the County causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owners of the Bonds the principal of the Bonds (including interest to become due thereon) and, premium, if any, on the Bonds, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, the County shall so notify Moody's, S&P and Fitch Ratings, as applicable, and then

such Bonds shall be considered to have been discharged and satisfied, and the principal of the Bonds (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

If such a defeasance occurs and after the County receives an opinion of a nationally recognized verification firm that the segregated moneys or Federal Securities together with interest earnings thereon are sufficient to effect a defeasance, the County shall execute and deliver all such instruments as may be necessary to effect such a defeasance and desirable to evidence such release, discharge and satisfaction. Provisions shall be made by the County, for the mailing of a notice to the owners of the Bonds that such moneys are so available for such payment.

Section 20. All acts and doings of the Chairman of the Board, the County Manager, the Chief Financial Officer and the Clerk to the Board of the County that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the Bond Purchase Agreement are in all respects ratified, approved and confirmed.

Section 21. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bonds authorized hereunder.

Section 22. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 23. This Resolution is effective on its adoption.

On motion duly made and seconded, the foregoing resolution entitled “**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$50,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 OF THE COUNTY OF DURHAM, NORTH CAROLINA**” was duly adopted by the following vote:

AYES:

NAYS:

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

I, *Monica Toomer*, Interim Clerk to the Board of Commissioners of the County of Durham, North Carolina, *DO HEREBY CERTIFY* the attached to be a true and correct copy of a Resolution entitled “**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF DURHAM, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$50,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 OF THE COUNTY OF DURHAM, NORTH CAROLINA**” adopted by the Board of Commissioners of the County of Durham, North Carolina, at a meeting held on the 28th day of January, 2019.

WITNESS my hand and the corporate seal of the County of Durham, North Carolina, this the 28th day of January, 2019.

Monica Toomer
Interim Clerk to the Board of Commissioners
County of Durham, North Carolina

APPENDIX A

Form of Bond

No. R-

\$

**UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

INTEREST

<u>RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
	JUNE 1, 20__	MARCH 5, 2019	

REGISTERED OWNER: **CEDE & Co.**

PRINCIPAL SUM: _____ **DOLLARS**

GENERAL OBLIGATION REFUNDING BOND, SERIES 2019

THE COUNTY OF DURHAM, NORTH CAROLINA (the “County”) acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, on surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this Bond until it shall mature at the Interest Rate per annum specified above, payable on June 1, 2019 and semiannually thereafter on December 1 and June 1 of each year. Principal of and interest on this Bond are payable in immediately available funds to The Depository Trust Company (“DTC”) or its nominee as registered owner of the Bonds and is payable to the owner of the Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. The County is not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Bond Act, each as amended, and a bond order adopted by the Board of Commissioners of the County on January 28, 2019, effective on the date of its adoption. The Bonds are issued to provide funds to pay the costs (1) to redeem the County’s General Obligation Public Improvement Bond Anticipation Note, Series 2017; and (2) incurred in connection with the issuance of the Bonds.

The Bonds maturing on or before June 1, 20__ are not subject to redemption before maturity. The Bonds maturing after June 1, 20__ are subject to redemption before maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date on or after June 1, 20__, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

If less than all the Bonds are called for redemption, the County shall select the maturity or maturities of the Bonds to be redeemed in such manner as the County in its discretion may determine, and DTC and its participants shall determine which Bonds within a maturity are to be redeemed in accordance with its rules and procedures; *provided, however*, that the portion of any Bond to be redeemed must be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond is to be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. When the County elects to redeem any Bonds, notice of such

redemption of such Bonds, stating the redemption date, redemption price and any conditions to the redemption and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there are due and payable on each Bond or portion thereof so to be redeemed, the principal thereof and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, is to be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of such Bonds, by prepaid certified or registered United States mail (or by such other means as may be permitted by DTC's rules and procedures), at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC, or its nominee, is not the registered owner of such Bonds, the County will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of such Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the County. The County will also mail or transmit by facsimile or electronic submission a copy of the notice of redemption within the time set forth above (1) to the Local Government Commission of North Carolina (the "*Local Government Commission*") and (2) to the Municipal Securities Rulemaking Board (the "*MSRB*") through the Electronic Municipal Market Access ("*EMMA*") system or other electronic format as prescribed by the MSRB.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

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

IN WITNESS WHEREOF, the County has caused this Bond to bear the original or facsimile of the signatures of the Chairman of the Board of Commissioners of the County and the Interim Clerk to the Board of Commissioners of the County and an original or facsimile of the seal of the County to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(SEAL)

Clerk to the
Board of Commissioners

Chair,
Board of Commissioners

Date of Execution: March 5, 2019

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

GREG C. GASKINS
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

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

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

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

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

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by
a Participant in the Securities Transfer
Agent Medallion Program (“*Stamp*”) or
similar program.

NOTICE: The signature to this assignment must
correspond with the name as it appears on the
face of the within Bond in every particular,
without alteration, enlargement or any change
whatever.

TRANSFER FEE MAY BE REQUIRED