

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 10, 2025**NEW ISSUE
BOOK-ENTRY ONLY****Ratings: Moody's: Aa2
S&P: AA+
(See "RATINGS" herein)**

In the opinion of Bond Counsel, under existing law, (1) assuming compliance by the County with certain requirements of the Internal Revenue Code of 1986, as amended, (the "Code") the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations and, (2) the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is exempt from State of North Carolina income taxation. See "TAX TREATMENT" herein.

\$[Amount]*
Limited Obligation Refunding Bonds,
Series 2025
(COUNTY OF CHATHAM, NORTH CAROLINA)

Dated: Date of Initial Execution and Delivery**Due: As shown on inside cover page**

This Official Statement has been prepared by the County of Chatham, North Carolina (the "County") to provide information on the above-referenced bonds (the "2025 Bonds"). Selected information is presented on this cover page for the convenience of the user. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used in this Official Statement, unless otherwise defined herein, have the meanings set out in **Appendix C** hereto under "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS."

Security:

The 2025 Bonds and all other Bonds outstanding under the Indenture evidence proportionate undivided interests in rights to receive certain Revenues pursuant to the Contract between the Chatham County Public Facilities Corporation (the "Corporation") and the County. The performance by the County of its obligations under the Contract, including the obligation to make Installment Payments thereunder, is secured by a Deed of Trust from the County to the Deed of Trust Trustee granting a lien of record on the Mortgaged Property, subject to Permitted Encumbrances. The Corporation has assigned to the Trustee for the benefit of the registered owners of the 2025 Bonds, the 2021 Bonds (as defined herein) and all Additional Bonds outstanding under the Indenture substantially all of its rights under the Contract, including the right to receive Installment Payments, and all of its rights as beneficiary of the Deed of Trust. THE PRINCIPAL, PREPAYMENT PRICE AND INTEREST WITH RESPECT TO THE 2025 BONDS ARE PAYABLE SOLELY FROM AMOUNTS PAYABLE BY THE COUNTY UNDER THE CONTRACT AND, TO THE EXTENT PROVIDED IN THE INDENTURE, THE PROCEEDS OF THE SALE OF THE 2025 BONDS, CONDEMNATION AWARDS OR THE SALE OR LEASE OF THE MORTGAGED PROPERTY. NEITHER THE CONTRACT, THE 2025 BONDS NOR THE INTEREST WITH RESPECT THERETO CONSTITUTES A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COUNTY. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF ANY CONTRACTUAL OBLIGATION TO MAKE INSTALLMENT PAYMENTS PURSUANT TO THE CONTRACT, AND THE TAXING POWER OF THE COUNTY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEY DUE THE OWNERS OF THE 2025 BONDS. THE REMEDIES AFFORDED TO THE TRUSTEE AND THE OWNERS UPON AN EVENT OF DEFAULT RESULTING FROM THE COUNTY'S FAILURE TO MAKE INSTALLMENT PAYMENTS UNDER THE CONTRACT ARE LIMITED IN THE CONTRACT TO THOSE OF A SECURED PARTY UNDER THE LAWS OF NORTH CAROLINA, INCLUDING FORECLOSING UPON THE MORTGAGED PROPERTY IN ACCORDANCE WITH THE DEED OF TRUST AND ARE ON A PARITY WITH THOSE RIGHTS AND REMEDIES AVAILABLE TO THE OWNERS OF ALL BONDS OUTSTANDING UNDER THE INDENTURE. See "SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS" herein.

Prepayment:

The 2025 Bonds are subject to optional prepayment before maturity as described herein.

Purpose:

The proceeds of the 2025 Bonds will be used by the County to (1) refinance outstanding installment payment obligations and (2) pay financing costs related to the 2025 Bonds.

Interest Payment

Dates: May 1 and November 1 of each year, beginning [November 1, 2025].

Denominations: \$5,000 and any integral multiple thereof.

Delivery Date: On or about October 9, 2025.

Registration: Full book-entry only; The Depository Trust Company.

Trustee: Regions Bank, Atlanta, Georgia.

**Bond Counsel and
Corporation Counsel:**

Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina.

County Attorney: Poyner & Spruill LLP, Raleigh, North Carolina.

Municipal Advisor: DEC Associates, Inc., Charlotte, North Carolina.

Underwriter's

Counsel: Chapman and Cutler LLP, Charlotte, North Carolina.

Date of this Official Statement is September __, 2025

BofA Securities

* Preliminary, subject to change.

MATURITY SCHEDULE*

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾	<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
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⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. Copyright © 2025 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only. Neither the State of North Carolina nor its agents take responsibility for the accuracy of such data. None of the County, the Underwriter or the municipal advisor is responsible for the accuracy of such data.

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor will there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Corporation, the County and other sources that are deemed to be reliable.

Neither the 2025 Bonds nor the Indenture have been registered with the Securities and Exchange Commission by reason of the provisions of Section 3(a)(2) of the Securities Act of 1933, as amended. The registration or qualification of the 2025 Bonds and the Indenture in accordance with applicable provisions of securities laws of the states in which the 2025 Bonds and the Indenture have been registered or qualified, and the exemption from registration or qualification in other states, will not be regarded as a recommendation thereof.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2025 Bonds will under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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[\$Amount]*
Limited Obligation Refunding Bonds,
Series 2025
(COUNTY OF CHATHAM, NORTH CAROLINA)

INTRODUCTION

The purpose of this Official Statement, which includes the Appendices hereto, is to provide certain information in connection with the execution, sale and delivery of the Limited Obligation Refunding Bonds (County of Chatham, North Carolina), Series 2025, in the aggregate principal amount of [\$Amount]* (the “2025 Bonds”), which evidence proportionate undivided interests in rights to receive certain Revenues (as defined herein) pursuant to an Installment Financing Contract dated as of January 1, 2013 (the “2013 Contract”) between Chatham County Public Facilities Corporation (the “Corporation”) and the County of Chatham, North Carolina (the “County”) as amended by Amendment Number Two to the Installment Financing Contract dated as of October 1, 2025 (the “Second Contract Amendment,” and together with the 2013 Contract, the “Contract”). The 2025 Bonds will be executed and delivered pursuant to an Indenture of Trust dated as of January 1, 2013 (the “2013 Indenture”) between the Corporation and Regions Bank, as trustee (the “Trustee”) as supplemented by Supplemental Indenture, Number 2 dated as of October 1, 2025 (the “Second Supplement” and, together with the 2013 Indenture, the “Indenture”). Capitalized terms used in this Official Statement, unless otherwise defined herein, have the meanings set out in **Appendix C** hereto.

In connection with the Contract, the Corporation previously executed and delivered its Limited Obligation Bonds (County of Chatham, North Carolina), Series 2013, none of which remain outstanding, its Limited Obligation Bonds (County of Chatham, North Carolina), Series 2021A (the “2021A Bonds”) in the aggregate principal amount of \$31,585,000, of which \$26,845,000 is currently outstanding, and the Taxable Limited Obligation Refunding Bonds (County of Chatham, North Carolina), Series 2021B (the “2021B Bonds,” and together with the 2021A Bonds, the “2021 Bonds”) in the aggregate principal amount of \$9,455,000, of which \$6,555,000 is currently outstanding.

This Introduction provides only certain limited information with respect to the contents of this Official Statement and is expressly qualified by the Official Statement as a whole. Prospective investors should review the full Official Statement and each of the documents summarized or described herein. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

* Preliminary, subject to change.

THE COUNTY

The County is a political subdivision of the State of North Carolina (the “*State*”). See **Appendix A** hereto for certain information regarding the County. The County’s most recent audited financial statements are contained in **Appendix B** hereto.

PURPOSE

The 2025 Bonds are being executed and delivered to provide funds to (1) refinance outstanding installment payment obligations and (2) pay the costs related to the execution and delivery of the 2025 Bonds. See the captions “**THE PLAN OF REFUNDING**” and “**ESTIMATED SOURCES AND USES OF FUNDS**” herein.

SECURITY

The 2025 Bonds, the 2021 Bonds and any Additional Bonds outstanding under the Indenture (the “*Additional Bonds*”) evidence proportionate undivided interests in the right to receive certain Revenues under the Contract. The 2025 Bonds are secured by such money as may be on deposit under the Indenture. The 2025 Bonds are payable solely from the Installment Payments and certain other money as provided in the Indenture.

As security for its obligations under the Contract, the County executed and delivered to a deed of trust trustee (the “*Deed of Trust Trustee*”), for the benefit of the Corporation or its assignee, a Deed of Trust, Security Agreement and Fixture Filing dated as of January 1, 2013 (as extended, the “*Deed of Trust*”), which granted a lien on the County’s fee simple interest in the site of the Chatham County Detention Facility and the improvements thereon, as more particularly described in the Deed of Trust. The County executed and delivered a Notice of Extension dated as of August 1, 2021, which extended that lien to the site of the Emergency Operations Center and the improvements thereon (together with the site of the Chatham County Detention Center and the improvements thereon, the “*Mortgaged Property*”), subject to certain permitted encumbrances as described in the Contract and the Deed of Trust. **None of the projects to be refinanced with proceeds of the 2025 Bonds are subject to the Deed of Trust. Not all of the projects financed and refinanced with the proceeds of the 2021 Bonds are subject to the Deed of Trust.** See the caption “**SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS – DEED OF TRUST**” herein.

Pursuant to the Indenture, the Corporation has assigned to the Trustee for the benefit of the Owners of the 2025 Bonds, the 2021 Bonds and any Additional Bonds (1) all rights, title and interest of the Corporation in the Contract (except for certain reserved rights), including its right to receive the Installment Payments thereunder, (2) all rights, title and interest of the Corporation in the Deed of Trust and the Mortgaged Property and (3) all money and securities from time to time held by the Trustee under the Indenture in any fund or account (except the Rebate Fund). Pursuant to the Contract, the Installment Payments are payable by the County directly to the Trustee. Additional Bonds, which would have equal rights in the security available to the Owners of the 2025 Bonds and the 2021 Bonds, may be executed and delivered in accordance with the provisions of the Indenture. See the captions “**SECURITY AND SOURCES OF PAYMENT**”

OF 2025 BONDS — ADDITIONAL BONDS” herein and “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — THE INDENTURE - *Additional Bonds*” in Appendix C hereto.

Under certain conditions, the Deed of Trust Trustee may release portions of the Mortgaged Property from the lien of the Deed of Trust. See the caption **“SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS – DEED OF TRUST – *Release of Security*”** herein and **“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE DEED OF TRUST”** in **Appendix C** hereto.

If a default occurs under the Contract, the Trustee may attempt to dispose of the Mortgaged Property and apply the proceeds received as a result of any such disposition to the payment of the amounts due to the Owners of the 2025 Bonds, the 2021 Bonds and any Additional Bonds. No assurance can be given that any such proceeds will be sufficient to pay the principal and interest with respect to the 2025 Bonds. In addition, no deficiency judgment can be obtained against the County if the proceeds from any such disposition (together with other funds that may be held by the Trustee under the Indenture) are insufficient to pay the 2025 Bonds in full. Neither the 2025 Bonds nor the County’s obligation to make payments under the Contract constitute a pledge of the County’s faith and credit within the meaning of any constitutional provision. See the caption **“SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS”** herein.

THE 2025 BONDS

The 2025 Bonds will be dated their date of initial execution and delivery. Interest is payable on May 1 and November 1 of each year, beginning [November 1, 2025], at the rates set forth on the inside cover page of this Official Statement. Principal is payable on November 1 in the years and in the amounts set forth on the inside cover page of this Official Statement.

BOOK-ENTRY ONLY

The 2025 Bonds will be delivered in book-entry form only, without physical delivery of bonds. Payments to beneficial owners of the 2025 Bonds will be made by the Trustee through The Depository Trust Company (“*DTC*”) and its participants. See **“BOOK-ENTRY ONLY SYSTEM”** in **Appendix E** hereto.

TAX STATUS

In the opinion of Bond Counsel, under existing law, (1) assuming compliance by the County with certain requirements of the Internal Revenue Code of 1986, as amended, (the “*Code*”), the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax; provided, however, such portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations, and (2) the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is exempt from State of North Carolina income taxation. See **“TAX TREATMENT”** herein.

PROFESSIONALS

BofA Securities, Inc. (the “*Underwriter*”) is underwriting the 2025 Bonds. Regions Bank is serving as Trustee with respect to the 2025 Bonds. Parker Poe Adams & Bernstein LLP is serving as Bond Counsel to the County and as counsel to the Corporation. Poyner & Spruill LLP is serving as counsel to the County. Chapman and Cutler LLP is serving as counsel to the Underwriter. DEC Associates, Inc. serves as municipal advisor to the County.

THE 2025 BONDS

AUTHORIZATION

The 2025 Bonds will be executed and delivered pursuant to the Indenture. The 2025 Bonds evidence proportionate undivided interests in the right to receive certain Revenues pursuant to the Contract. The 2025 Bonds are payable solely from the Installment Payments and certain other money as provided in the Indenture.

The County is entering into the Contract under the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended. The Board of County Commissioners (the “*Board*”) authorized the County’s execution and delivery of the Contract in a resolution adopted on August 18, 2025.

GENERAL

Payment Terms. The 2025 Bonds will be dated their date of initial execution and delivery. Interest with respect to the 2025 Bonds is payable on each May 1 and November 1, beginning [November 1, 2025], at the rates set forth on the inside cover page of this Official Statement (calculated on the basis of a 360-day year consisting of twelve 30-day months). Principal with respect to the 2025 Bonds is payable on November 1 in the years and amounts set forth on the inside cover page of this Official Statement. Payments will be effected through DTC. See “**BOOK-ENTRY ONLY SYSTEM**” in **Appendix E** hereto.

Registration and Exchange. So long as DTC or its nominee is the registered owner of the 2025 Bonds, transfers and exchanges of beneficial ownership interests in the 2025 Bonds will be available only through DTC Participants and DTC Indirect Participants. See “**BOOK-ENTRY ONLY SYSTEM**” in **Appendix E** hereto. The Indenture describes the provisions for transfer and exchange applicable if a book-entry system is no longer in effect. These provisions generally provide that the transfer of the 2025 Bonds is registrable by the Owners thereof, and the 2025 Bonds may be exchanged for an equal aggregate, unprepaid principal amount of 2025 Bonds of denominations of \$5,000 or any integral multiple thereof and of the same maturity and interest rate, only upon presentation and surrender of the 2025 Bonds to the Trustee at the designated corporate trust office of the Trustee together with an executed instrument of transfer in a form approved by the Trustee in connection with any transfer. The Trustee may require the person requesting any transfer or exchange to reimburse it for any tax or other governmental charge required to be paid with respect to such registration or exchange.

PREPAYMENT PROVISIONS

Optional Prepayment. The 2025 Bonds maturing on or before November 1, 20__ are not subject to optional prepayment before maturity. The 2025 Bonds maturing on or after November 1, 20__ are subject to optional prepayment in whole or in part on any date on or after November 1, 20__, at the option of the County, at the prepayment price equal to 100% of the principal amount of such 2025 Bonds to be prepaid, together with accrued interest to the date fixed for prepayment.

General Prepayment Provisions. If called for prepayment in part, the 2025 Bonds to be prepaid will be prepaid in such order as the County selects and within the same maturity as selected by DTC pursuant to its rules and procedures or, if the book-entry system with respect to the 2025 Bonds is discontinued, by lot within a maturity in such manner as the Trustee in its discretion may determine.

Notice of prepayment identifying the 2025 Bonds or portions thereof to be prepaid will be given by the Trustee in writing not less than 30 days nor more than 60 days before the date fixed for prepayment by first class mail, postage prepaid (or, in the case of notice to DTC, by registered or certified mail or otherwise in accordance with DTC's then-existing rules and procedures) (1) to DTC or its nominee or to the then-existing securities depositories, or (2) if DTC or its nominee or another securities depository is no longer the Owner of the 2025 Bonds, to the then-registered Owners of the 2025 Bonds to be prepaid at their addresses appearing on the registration books maintained by the Trustee, (3) to the LGC and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, (1) if notice is given, the failure to receive an appropriate notice will not affect the validity of the proceedings for such prepayment, (2) the failure to give any such notice or any defect therein will not affect the validity of the proceedings for the prepayment of the 2025 Bonds or portions thereof with respect to which notice was correctly given, and (3) the failure to give any such notice to the parties described in clauses (3) and (4) in the preceding sentence, or any defect therein, will not affect the validity of any proceedings for the prepayment of the 2025 Bonds.

In the case of an optional prepayment of 2025 Bonds, the prepayment notice may state that it is conditioned upon the deposit of money with the Trustee not later than the opening of business on the prepayment date in an amount equal to the amount necessary to effect the prepayment and such notice will be of no effect unless such money is so deposited.

Before the date fixed for prepayment, funds will be deposited with the Trustee to pay, and the Trustee is authorized and directed to apply such funds to the payment of, the 2025 Bonds or portions thereof called, together with accrued interest with respect thereto to the prepayment date, and any required premium. Upon the giving of notice and the deposit of such funds for prepayment pursuant to the Indenture, interest with respect to the 2025 Bonds or portions thereof so called for prepayment will no longer accrue after the date fixed for prepayment.

The 2025 Bonds or portions thereof called for prepayment will be due and payable on the prepayment date at the prepayment price, together with accrued interest with respect thereto to the prepayment date and any applicable prepayment premium. If the required notice of prepayment has been given and money sufficient to pay the prepayment price, together with accrued interest with respect thereto to the prepayment date and any required prepayment premium, have been

deposited with the Trustee, the 2025 Bonds or portions thereof so called for prepayment will cease to be entitled to any benefit or security under the Indenture, and the Owners of such 2025 Bonds will have no rights with respect to such 2025 Bonds or portions thereof so called for prepayment except to receive payment of the prepayment price and accrued interest to the prepayment date from such funds held by the Trustee. Upon surrender and cancellation of any 2025 Bonds called for prepayment in part only, a new 2025 Bond or 2025 Bonds of the same maturity and interest rate and of authorized denominations, in an aggregate principal amount equal to the unprepaid portion thereof, will be executed on behalf of the Corporation and authenticated and delivered by the Trustee.

If an Event of Default has occurred and is continuing under the Indenture, there will be no prepayment of less than all of the 2025 Bonds Outstanding.

THE PLAN OF REFUNDING

Proceeds of the 2025 Bonds will be used to (1) refinance the Refunded Projects (as described below) by refunding all or a portion of the 2014 Bonds and 2015 Bonds (each as described below) [as of November 1, 2025] and (2) pay the costs related to the execution and delivery of the 2025 Bonds. [More to come as mechanics are determined.]

The Corporation previously executed and delivered Limited Obligation Bonds, Series 2014 (the “*2014 Bonds*”), the proceeds of which were used to (2) finance the capital costs of constructing and equipping an agricultural center and a service facility for County-owned vehicles and vehicles owned by the County School Board, (2) refinance a portion of the capital costs of (a) acquiring, constructing and equipping Virginia Cross Elementary School; (b) acquiring, constructing and equipping a cafeteria and classroom facilities at Jordan Matthews High School; (c) acquiring, constructing and equipping an addition to, and renovating, an existing building for the Department of Social Services; (d) acquiring, constructing and equipping water, sewer and roadway improvements at the Central Carolina Business Campus; (e) acquiring, constructing and equipping a new high school in the northeastern part of the County; and (f) acquiring and installing softball field lighting and/or tennis field lighting at Northwood High School, Chatham Central High School and Jordan Matthews High School (collectively, the “*2006 Projects*”), and (3) refinance the capital costs of constructing and equipping Margaret B. Pollard Middle School in the County (such projects being financed and refinanced, the “*Refunded 2014 Projects*”).

The Corporation also previously executed and delivered Refunding Limited Obligation Bonds, Series 2015 (the “*2015 Bonds*”), the proceeds of which were used to refinance the remaining portion of the 2006 Projects (such projects being refinanced, the “*Refunded 2015 Projects*” and together with the Refunded 2014 Projects, the “*Refunded Projects*”).

The property subject to the Deed of Trust includes only the site of Chatham County Detention Center and the improvements thereon and the site of the Emergency Operations Center and the improvements thereon. See “SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS - DEED OF TRUST” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents information as to the estimated sources and uses of funds:

Sources of Funds:

Par Amount of 2025 Bonds	\$
[Plus/Less] [Net] Original Issue [Premium/Discount]	
[County Contribution]	
TOTAL	\$

Uses of Funds:

Refinancing the Refunded Projects	\$
Costs of Issuance ¹	
TOTAL	\$

¹ Includes legal fees, printing costs, Underwriter's discount, rating agency fees, the Municipal Advisor's fee and other miscellaneous transaction costs.

SECURITY AND SOURCES OF PAYMENT OF 2025 BONDS

The 2025 Bonds, the 2021 Bonds and any Additional Bonds evidence proportionate undivided interests in the rights to receive certain Revenues pursuant to the Contract. The 2025 Bonds will be proportionately and ratably secured with any Additional Bonds executed and delivered pursuant to the Indenture. Revenues are defined in the Contract to mean (1) all Net Proceeds not applied to the replacement of the Project; (2) all Installment Payments; and (3) all investment income on all funds and accounts created under the Indenture (other than the Rebate Fund). Notwithstanding the foregoing, no Owner of a 2025 Bond is entitled to receive more than the amount of principal and interest represented by such 2025 Bond.

INSTALLMENT PAYMENTS AND ADDITIONAL PAYMENTS

Under the Contract, the County is required to make the Installment Payments directly to the Trustee in amounts sufficient to provide for the payment of the principal (whether at maturity, by prepayment or otherwise) and interest with respect to the 2025 Bonds, the 2021 Bonds and any Additional Bonds hereafter executed and delivered under the Indenture as the same become due and payable.

The County is also obligated under the Contract to pay as Additional Payments to such persons as are entitled thereto, the reasonable and customary expenses and fees of the Trustee and the Corporation, any expenses of the Corporation in defending an action or proceeding in connection with the Contract or the Indenture and any taxes or any other expenses, including, but not limited to, licenses, permits, state and local income, sales and use or ownership taxes or property taxes which the County or the Corporation is expressly required to pay as a result of the

Contract (together with interest that may accrue thereon in the event that the County fails to pay the same).

BUDGET AND APPROPRIATION

Pursuant to the Contract, the County will (1) cause its budget officer (as statutorily defined) to include the Installment Payments and the reasonably estimated Additional Payments coming due in each Fiscal Year in the corresponding annual budget request, (2) require that the deletion of such funds from the County's final budget or any amended budget be made only pursuant to an express resolution of the Board which explains the reason for such action and (3) deliver notice to the Trustee, S&P, Moody's and the LGC within five days after the adoption by the Board of the resolution described in clause (2) above. Nothing contained in the Contract, however, obligates the County to appropriate money contained in the proposed budget for the payment of the Installment Payments or the reasonably estimated Additional Payments coming due under the Contract.

In connection with the Installment Payments and the Additional Payments, the appropriation of funds therefor is within the sole discretion of the Board.

DEED OF TRUST

General. In connection with the execution and delivery of the 2025 Bonds, the County will execute the Deed of Trust as security for its obligations under the Contract granting a lien of record on certain real property, subject to certain permitted encumbrances as set forth in the Contract and the Deed of Trust.

The property subject to the Deed of Trust includes only the approximately 16.68-acre site of the Chatham County Detention Center and the improvements thereon and the approximately 272.08-acre site of the Emergency Operations Center and the improvements thereon. The Chatham County Detention Center is a 60,000 square-foot 133-bed jail facility. The Emergency Operations Center is approximately 22,800 square feet. [Confirm that it was constructed as planned.] **No representation is made as to the value of the County's interest in the Mortgaged Property in foreclosure.** See the caption "**CERTAIN RISKS OF 2025 BOND OWNERS – VALUE OF COLLATERAL**" herein.

The Deed of Trust authorizes future obligations evidenced by Additional Bonds executed and delivered under the Indenture to be secured by the Deed of Trust, provided that the total amount of present and future obligations secured thereby at any one time does not exceed \$200,000,000 and such future obligations are incurred not later than 30 years from the date of the Deed of Trust.

The Deed of Trust has been recorded in the office of the Register of Deeds of Chatham County, North Carolina, and the liens created thereby have been insured by a title insurance policy.

Release of Security. So long as there is no event of default under the Deed of Trust, the Trustee, with the Corporation's consent, must release the Mortgaged Property or any part thereof from the lien and security interest of the Deed of Trust when and if the following requirements have been fulfilled:

(1) in connection with any release of the Mortgaged Property, or any part thereof, there is filed with the Corporation a certified copy of the resolution of the Board stating the purpose for which the County desires such release of the Mortgaged Property, giving an adequate legal description of the part of the Mortgaged Property to be released, requesting such release and providing for payment by the County of all expenses in connection with such release;

(2) in connection with the release of any part of the Mortgaged Property constituting less than the entire Mortgaged Property, either (1) the tax, insured or appraised value of the Mortgaged Property remaining after the proposed release is not less than 50% of the aggregate principal component of the Installment Payments then Outstanding under the Indenture or (2) the County (i) provides for the substitution of other real property therefor and the tax, insured or appraised value of the Mortgaged Property remaining after the proposed substitution is not less than the replacement value of the Mortgaged Property (as determined above) immediately before the proposed substitution, (ii) delivers to the Trustee and the Corporation an opinion of Bond Counsel to the effect that the substitution (A) is permitted by law and under the Deed of Trust and (B) will not adversely affect the tax treatment of the 2025 Bonds, and (iii) records a modification to the Deed of Trust reflecting such substitution of the Mortgaged Property;

(3) in connection with the release of any part of the Mortgaged Property constituting less than the entire Mortgaged Property, such release will not prohibit the County's ingress, egress and regress to and from the remainder of the Mortgaged Property not being released, or materially interfere with the use of the remainder of the Mortgaged Property not being released; and

(4) in connection with the release of the entire Mortgaged Property, there is paid to the Corporation an amount sufficient to provide for the payment in full all of the Bonds then Outstanding under the Indenture.

So long as there is no event of default under the Deed of Trust, with the consent of the Trustee, the County may grant easements, licenses, rights of way and other rights and privileges in the nature of easements with respect to any part of the Mortgaged Property and the County may release existing interests, easements, licenses, rights of way and other rights or privileges with or without consideration. The County must provide a certificate to the Trustee stating that the grant or release is not detrimental to the proper conduct of the operations of the County at the Mortgaged Property and will not impair the effective use, nor decrease the value, of the Mortgaged Property.

INDENTURE

Pursuant to the Indenture, the Corporation has assigned to the Trustee for the benefit of the Owners of the 2025 Bonds, the 2021 Bonds and any Additional Bonds executed and delivered under the Indenture (1) all rights, title and interest of the Corporation in the Contract (except for certain indemnification rights, certain notice rights and the right to Additional Payments payable to the Corporation), including its rights to receive the Installment Payments thereunder (2) all rights, title and interest of the Corporation in the Deed of Trust and the Mortgaged Property and

(3) all money and securities from time to time held by the Trustee under the Indenture in any fund or account (except the Rebate Fund).

ENFORCEABILITY

NEITHER THE CONTRACT NOR THE 2025 BONDS CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF ANY CONTRACTUAL OBLIGATION UNDER THE CONTRACT, AND THE TAXING POWER OF THE COUNTY IS NOT PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEY DUE THE OWNERS OF THE 2025 BONDS PURSUANT TO THE CONTRACT.

The remedies afforded to the Trustee and the Owners of the 2025 Bonds upon a default by the County under the Contract are limited to those specified in the Contract and the Indenture, including exercising the rights of the beneficiary under the Deed of Trust and the rights of the Trustee in the funds held under the Indenture.

The 2025 Bonds will not constitute a debt or general obligation of the Corporation and will not give the Owners of the 2025 Bonds any recourse to the assets of the Corporation, but will be payable solely from amounts payable by the County under the Contract, from amounts realized on the foreclosure on the Mortgaged Property pursuant to the Deed of Trust and from funds held in certain funds and accounts under the Indenture for such purpose.

The enforceability of the Indenture, the Contract and the Deed of Trust is subject to bankruptcy, insolvency, fraudulent conveyance and other related laws affecting the enforcement of creditors' rights generally and, to the extent that certain remedies under such instruments require, or may require, enforcement by a court, to such principles of equity as the court having jurisdiction may impose.

See “**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — THE CONTRACT — Remedies on Default**” in Appendix C for a more complete description of the rights and powers of the Trustee upon the occurrence of an event of default under the Contract.

ADDITIONAL BONDS

Under the conditions described in the Indenture and so long as no Event of Default has occurred and is continuing under the Indenture, the Corporation may execute and deliver Additional Bonds under the Indenture without the consent of the Owners of the 2025 Bonds, the 2021 Bonds or any Additional Bonds then Outstanding under the Indenture to provide funds to pay (1) the cost of expanding the Project or acquiring, constructing, renovating and equipping other facilities or acquiring equipment and other capital assets for utilization by the County for public purposes; (2) the cost of refunding of all or any portion of the 2025 Bonds or any other financing obligations of the County; and (3) the Costs of Issuance relating to the execution, delivery and sale of such Additional Bonds.

The 2025 Bonds are payable on a parity with the 2021 Bonds and any Additional Bonds hereafter executed and delivered pursuant to the Indenture. The Installment Payments and any

Installment Payments with respect to Additional Bonds issued under the Indenture will be deposited as received by the Trustee in the Bond Fund held by the Trustee. Money in the Bond Fund will be withdrawn and used to pay the principal and interest with respect to the 2025 Bonds, the 2021 Bonds and any Additional Bonds executed and delivered under the Indenture as the same become due and payable. If on any date the money on deposit in the Bond Fund is insufficient to pay all of the principal and interest with respect to the 2025 Bonds, the 2021 Bonds or any Additional Bonds executed and delivered under the Indenture which are due and payable on such date, such money will be used to pay such principal and interest with respect to the 2025 Bonds, the 2021 Bonds and any such Additional Bonds entitled to receive principal or interest on such date in the manner provided in the Indenture. See “**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — THE INDENTURE — *Application of Money***” in **Appendix C**.

AVAILABLE SOURCES FOR PAYMENT OF INSTALLMENT PAYMENTS

GENERAL

The County may pay its Installment Payments from any source of funds available to it in each year and appropriated therefor during the term of the Contract.

GENERAL FUND REVENUES

The County’s general fund revenues and transfers for the Fiscal Years ended June 30, 2023 and June 30, 2024 were \$180,713,111 and \$194,107,033, respectively. General fund revenues are derived from various sources, including property taxes (which accounted for approximately 53.5% and 53.9%, respectively, of the general fund revenues and transfers), sales taxes, permits and fees, as well as intergovernmental revenues. For the Fiscal Year ended June 30, 2025, the County adopted a property tax of \$0.725 per \$100 of assessed value. The County has adopted a property tax rate of \$0.60 per \$100 of assessed value for the Fiscal Year ending June 30, 2026. A rate of \$.01 per \$100 of assessed value is estimated to generate \$2,253,087 for the Fiscal Year ending June 30, 2026. The General Statutes of North Carolina permit cities to impose property taxes of up to \$1.50 per \$100 of assessed value for certain purposes without the requirement of a voter referendum.

INSTALLMENT PAYMENT SCHEDULE

The following schedule sets forth for each Fiscal Year of the County ending June 30 the amount of principal and interest required to be paid under the Contract with respect to the 2021 Bonds and the 2025 Bonds. Totals may not foot due to rounding.

Fiscal Year Ending <u>June 30</u>	Debt Service <u>on 2021 Bonds</u>	<u>2025 Bonds</u>		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
2026	\$ 3,642,236			
2027	3,539,829			
2028	3,431,020			
2029	3,325,995			
2030	3,214,820			
2031	3,112,782			
2032	3,005,162			
2033	2,906,935			
2034	2,045,650			
2035	1,966,650			
2036	1,895,550			
2037	1,840,250			
2038	1,792,850			
2039	1,745,450			
2040	1,693,125			
2041	1,645,875			
2042	1,598,625			
Total	\$42,402,804	\$	\$	\$

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CERTAIN RISKS OF 2025 BOND OWNERS

LIMITED OBLIGATION OF THE COUNTY

If the Installment Payments to be made by the County are insufficient to pay the principal and interest with respect to the 2025 Bonds, the 2021 Bonds and any Additional Bonds, as the same become due or, if any other event of default occurs under the Contract, the Trustee may accelerate the 2025 Bonds and all unpaid principal amounts due by the County under the Contract and foreclose on the County's interest in the Mortgaged Property under the Deed of Trust. The Mortgaged Property includes only the sites on which the Chatham County Detention Center and Emergency Operations Center are located and any improvements thereon.

No deficiency judgment may be rendered against the County in any action for any breach of the Contract. The taxing power of the County is not and may not be pledged directly or indirectly or contingently to secure any money due under the Contract. The remedies afforded to the Trustee and the Owners of the 2025 Bonds, the 2021 Bonds and any Additional Bonds upon a default by the County under the Contract are limited to those of a secured party under the laws of the State, including foreclosing on the County's interest in the Mortgaged Property covered by the Deed of Trust. There can be no assurance that the money available in the funds and accounts held by the Trustee and the proceeds of any such foreclosure will be sufficient to provide for the payment of the principal and interest with respect to the 2025 Bonds, the 2021 Bonds and any Additional Bonds outstanding under the Indenture.

RISK OF NONAPPROPRIATION

The appropriation of money to make the Installment Payments is within the sole discretion of the Board. If the Board fails to appropriate such money, the only sources of payment for the 2025 Bonds will be the money, if any, available in the respective funds and accounts held by the Trustee under the Indenture and the proceeds of any attempted foreclosure on the County's interest in the Mortgaged Property under the Deed of Trust.

VALUE OF COLLATERAL

No special appraisal of the Mortgaged Property has been obtained and the amount of proceeds received through foreclosure of the County's interest in the Mortgaged Property will be affected by a number of factors, including without limitation (1) the costs and expenses in enforcing the lien and security, (2) the condition of the Mortgaged Property, (3) the occurrence of any damage, destruction, loss or theft of the Mortgaged Property which is not repaired or replaced and for which there are not received or appropriated money from insurance policies or any risk management program, (4) the lack of alternative uses of the Mortgaged Property, (5) issues related to design, zoning restrictions, use restrictions, easements and encumbrances on the Mortgaged Property, and (6) environmental problems and risks with respect to the Mortgaged Property.

No representation is made as to the value of the County's interest in the Mortgaged Property in foreclosure.

ENVIRONMENTAL RISKS

In November 2012, the County obtained a Phase I environmental assessment for the Chatham County Detention Center. The Phase I assessment revealed no evidence of recognized environmental conditions with regard to the Chatham County Detention Center. In October 2019, the County obtained a Phase I environmental assessment for the Emergency Operations Center. The Phase I assessment revealed no evidence of recognized environmental conditions with regard to the Emergency Operations Center.

Environmental contamination of the Mortgaged Property, and any undiscovered or future environmental contamination, could have a material adverse effect on the value of the Mortgaged Property; however, the County is required under the Deed of Trust to undertake whatever environmental remediation may be required by law.

UNINSURED OR UNDERINSURED CASUALTY

If (1) any portion of the Mortgaged Property is destroyed or damaged by fire or other casualty, (2) title to or the temporary or permanent use of any portion of the Mortgaged Property or the estate of the County or the Corporation or its assignee in any portion of the Mortgaged Property is taken under the power of eminent domain by any governmental authority; (3) a material defect in construction of any portion of the Mortgaged Property becomes apparent; or (4) title to or the use of any portion of the Mortgaged Property is lost by reason of a defect in title thereto, the County may elect not to repair, restore, improve or replace the affected portion of the Mortgaged Property if (1) the Net Proceeds are less than \$500,000 and (2) a County Representative certifies to the Corporation that such Net Proceeds are not necessary to restore the affected portion of the Mortgaged Property to its intended use. In such event, the County will direct the Trustee to deposit such Net Proceeds in the Bond Fund to be applied toward the next payment of principal and interest with respect to the 2025 Bonds. The Contract requires the County to maintain certain insurance with respect to the Mortgaged Property, but such insurance may not cover all perils to which the Mortgaged Property is subject or provide sufficient Net Proceeds to fully repair or replace the Mortgaged Property.

OUTSTANDING GENERAL OBLIGATION DEBT OF THE COUNTY

The County currently has no general obligation bonds outstanding but has in the past and may in the future issue general obligation bonds and notes. The County has pledged and will pledge its faith and credit and taxing power to the payment of its general obligation bonds and notes issued or to be issued. See the caption **“THE COUNTY — DEBT INFORMATION”** in **Appendix A** for a description of the County’s outstanding debt obligations. **FUNDS WHICH MAY OTHERWISE BE AVAILABLE TO PAY INSTALLMENT PAYMENTS OR ADDITIONAL PAYMENTS OR TO MAKE OTHER PAYMENTS TO BE MADE BY THE COUNTY UNDER THE CONTRACT MAY BE SUBJECT TO SUCH FAITH AND CREDIT PLEDGE BY THE COUNTY AND THEREFORE MAY BE REQUIRED TO BE APPLIED TO THE PAYMENT OF ITS GENERAL OBLIGATION INDEBTEDNESS.**

OTHER INDEBTEDNESS

There is no limitation on the County entering into additional contracts which provide for obligations the payment on which is subject to appropriation. See “**THE COUNTY — DEBT INFORMATION — *Other Long-Term Commitments***” in **Appendix A** hereto.

BANKRUPTCY

Under North Carolina law, a local governmental unit such as the County may not file for bankruptcy protection without (1) the consent of the LGC and (2) the satisfaction of the requirements of § 109(c) of the United States Bankruptcy Code. If the County were to initiate bankruptcy proceedings with the consent of the LGC and satisfy the requirements of 11 U.S.C. § 109(c), the bankruptcy proceedings could have material and adverse effects on holders of the 2025 Bonds, including (1) delay in enforcement of their remedies, (2) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (3) imposition without their consent of a plan of reorganization reducing or delaying payment of the 2025 Bonds. The effect of the other provisions of the United States Bankruptcy Code on the rights and remedies of the holders of the 2025 Bonds cannot be predicted and may be affected significantly by judicial interpretation, general principles of equity (regardless of whether considered in a proceeding in equity or at law) and considerations of public policy.

CYBERSECURITY

The County, like most other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats to its computing and other digital networks and systems including, but not limited to, hacking, phishing, viruses, malware and other attacks. As a recipient and provider of personal, private and sensitive information, the County has been and will continue to be a target of cybersecurity incidents that could result in adverse consequences to its operations and financial condition.

On October 28, 2020, Chatham County Management and Information Systems (MIS) staff identified a ransomware attack against the County network that resulted in the encryption of much of its network infrastructure and associated business systems. The hacker sent a ransom note demanding approximately \$2.4 million, which the County refused to pay. The cyberattack shut down most County functions and temporarily cut off public access to services. In February 2021, the County discovered that the cyber actor(s) responsible for the ransomware event against the County had released certain data acquired by the cyber actor(s) from the County’s servers. In the three months following the incident, the County upgraded its software system and changed its domain name from .org to the more secure .gov. The County’s MIS staff implemented additional security measures and reinforced employee training. [The financial cost of the incident was not significant to the County.]

Although the County’s cybersecurity and operational safeguards are periodically tested, no assurances can be given by the County that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the County’s finances and/or operations. The cost of remedying any such damage or protecting against future

attacks could be substantial. In addition, cybersecurity breaches could expose the County to material litigation and other legal risks that could cause the County to incur material costs related to such legal claims or proceedings.

CLIMATE CHANGE

The State is susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes, which could result in negative economic impacts on the County. These effects may be amplified by a prolonged temperature increase over the next several decades commonly referred to as “climate change.” No assurances can be given that a future extreme weather event drive by climate change will not adversely affect the operations of the County.

THE CORPORATION

The Chatham County Public Facilities Corporation is a nonprofit corporation incorporated under the Nonprofit Corporation Act of the State of North Carolina on August 24, 2006. The Corporation’s purpose, as stated in its Articles of Incorporation, is to promote the general welfare of the citizens of the County by assisting the County in carrying out its municipal and governmental functions through the acquisition, construction and operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public. The Corporation has engaged in numerous financing transactions for the County and may participate in other financing transactions for the County in the future.

The Corporation’s role in the financing described in this Official Statement will be limited. The Corporation’s officers, directors and counsel will have the opportunity to review this Official Statement and the principal financing documents and to assist in their preparation. The Corporation’s counsel will deliver certain legal opinions in connection with the transaction. The Corporation and the County expect, however, that the Corporation will have no continuing responsibilities or involvement with respect to the Mortgaged Property, its operations or the financing, or with respect to monitoring or providing for compliance with the terms of any of the financing documents. The Corporation has no taxing power, no assets and no employees. The Corporation will not be liable to make any payments of principal, premium or interest with respect to the 2025 Bonds.

THE COUNTY

See **Appendix A** for a description of the County.

LEGAL MATTERS

LITIGATION

No litigation is now pending or, to the best of the County’s knowledge, threatened, against or affecting the County which seeks to restrain or enjoin the authorization, execution or delivery of the 2025 Bonds or which contests the County’s creation, organization or corporate existence, or the title of any of the present officers thereof to their respective offices or the authority or proceedings for the County’s authorization, execution and delivery of the Contract and the Deed

of Trust, or the County's authority to carry out its obligations thereunder or which would have a material adverse impact on the County's condition, financial or otherwise. In addition, no litigation is now pending or, to the best of the Corporation's knowledge, threatened, against or affecting the Corporation which seeks to restrain or enjoin the authorization, execution or delivery of the 2025 Bonds, the Indenture, the Contract or the Deed of Trust or which contests the validity or the authority or proceedings for the adoption, authorization, execution or delivery of the 2025 Bonds or the Corporation's creation, organization or corporate existence, or the title of any of the present officers thereof to their respective offices or the authority or proceedings for the Corporation's authorization, execution or delivery of the 2025 Bonds, the Indenture or the Contract, or the Corporation's authority to carry out its obligations thereunder.

CONTINGENT LIABILITIES

The County is not aware of any contingent liabilities that would materially adversely affect the County's ability to meet its financial obligations.

OPINIONS OF COUNSEL

Legal matters related to the execution, sale and delivery of the 2025 Bonds are subject to the approval of Parker Poe Adams & Bernstein LLP, Bond Counsel. The opinion of Parker Poe Adams & Bernstein LLP, as Bond Counsel, substantially in the form set forth in **Appendix D** hereto, will be delivered at the time of the delivery of the 2025 Bonds. Certain legal matters will be passed on for the County by Poyner & Spruill LLP; for the Corporation by Parker Poe Adams & Bernstein LLP; and for the Underwriter by its counsel, Chapman and Cutler LLP.

TAX TREATMENT

GENERAL

On the date of execution and delivery of the 2025 Bonds, Bond Counsel will render an opinion that, under existing law assuming compliance by the County with certain provisions of the Code, the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax, however, such portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the County rebate certain excess earnings on proceeds and amounts treated as proceeds of the 2025 Bonds to the United States Treasury, restrictions on the investment of such proceeds and other amounts, and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the 2025 Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance

requirements of the Code, but is illustrative of the requirements that must be satisfied by the County subsequent to execution and delivery of the 2025 Bonds to maintain the excludability of the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds from gross income for federal income tax purposes. Bond Counsel's opinion is given in reliance on certifications by representatives of the County as to certain facts material to the opinion and the requirements of the Code.

The County has covenanted to comply with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the 2025 Bonds in order that the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel assumes compliance by the County with such covenants, and Bond Counsel has not been retained to monitor compliance by the County with such covenants subsequent to the date of execution and delivery of the 2025 Bonds. Failure to comply with certain of such requirements may cause the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the 2025 Bonds. No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of or the receipt, accrual or amount of interest with respect to the 2025 Bonds.

If the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds subsequently becomes included in gross income for federal income tax purposes due to a failure by the County to comply with any requirements described above, the County is not required to prepay the 2025 Bonds or to pay any additional interest or penalty.

The Internal Revenue Service ("IRS") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the 2025 Bonds. Prospective purchasers and owners of the 2025 Bonds are advised that, if the IRS does audit the 2025 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the County as the taxpayer, and the owners of the 2025 Bonds may have limited rights, if any, to participate in such audit. The commencement of an audit could adversely affect the market value and liquidity of the 2025 Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers of the 2025 Bonds should be aware that ownership of the 2025 Bonds and the accrual or receipt of the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property or casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain Subchapter S Corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the 2025 Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers of the 2025 Bonds should consult their own tax advisors as to the collateral tax consequences.

Proposed legislation is considered from time to time by the United States Congress that, if enacted, would affect the tax consequences of owning the 2025 Bonds. No assurance can be given that any future legislation, or clarifications or amendments to the Code, if enacted into law, will not contain provisions which could cause the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds to be subject directly or indirectly to federal, state, or local income taxation, adversely affect the market price or marketability of the 2025 Bonds or otherwise prevent the owners of the 2025 Bonds from realizing the full current benefit of the status of the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds.

Bond Counsel is further of the opinion that, under existing law, the portion of the Installment Payments designated and paid as interest with respect to the 2025 Bonds is exempt from State of North Carolina income taxation.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on Bond Counsel's review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel's opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the County, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ORIGINAL ISSUE DISCOUNT

As indicated on the inside cover page, the 2025 Bonds maturing on November 1, 20__ (the "*OID Bonds*"), are being sold at initial offering prices which are less than the principal amount payable at maturity. Under the Code, the difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the OID Bonds is sold and (b) the principal amount payable at maturity of such OID Bonds, constitutes original issue discount treated as interest which will be excluded from the gross income of the owners of such OID Bonds for federal income tax purposes.

In the case of an owner of an OID Bond, the amount of original issue discount on such OID Bond is treated as having accrued daily over the term of such OID Bond on the basis of a constant yield compounded at the end of each accrual period and is added to the owner's cost basis of such OID Bond in determining, for federal income tax purposes, the gain or loss upon the sale, redemption or other disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon the sale, redemption or other disposition of an OID Bond which are attributable to accrued original issue discount on such OID Bonds will be treated as interest exempt from gross income, rather than as a taxable gain, for federal income tax purposes, and will

not be a specific item of tax preference for purposes of the federal individual alternative minimum tax. However, it should be noted that the original issue discount that accrues to an owner of an OID Bond may result in other collateral federal income tax consequences for certain taxpayers in the year of the accrual.

Original issue discount is treated as compounding semiannually (which yield is based on the initial public offering price of such OID Bond) at a rate determined by reference to the yield to maturity of each individual OID Bond. The amount treated as original issue discount on an OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of interest payable on such OID Bond during the particular accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior accrual periods. If an OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of the OID Bonds who subsequently purchase any OID Bonds after the initial offering or at a price different from the initial offering price during the initial offering of the OID Bonds. Owners of OID Bonds should consult their own tax advisors with respect to the precise determination for federal and state income tax purposes of the amount of original issue discount accrued upon the sale, redemption or other disposition of an OID Bond as of any date and with respect to other federal, state and local tax consequences of owning and disposing of an OID Bond. It is possible that under the applicable provisions governing the determination of state or local taxes, accrued original issue discount on an OID Bond may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment attributable to such original issue discount until a later year.

ORIGINAL ISSUE PREMIUM

As indicated on the inside cover page, the 2025 Bonds maturing on November 1, 20__ (the “*Premium Bonds*”) are being sold at initial offering prices which are in excess of the principal amount payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Premium Bonds are sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner’s cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption or other disposition of such Premium Bond (whether upon its sale, redemption or payment at maturity). Owners of Premium Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of the “adjusted basis” of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.

CONTINUING DISCLOSURE OBLIGATION

In accordance with the requirements of Rule 15c2-12 (“*Rule 15c2-12*”) promulgated by the Securities and Exchange Commission (the “*SEC*”), the County has undertaken in the Second Contract Amendment to provide to the MSRB:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2025, 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;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2025, (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 the tables found under the captions “**THE COUNTY — DEBT INFORMATION**” and “**-TAX INFORMATION**” (including subheadings thereunder) in **Appendix A** to this Official Statement (excluding in each case any information on overlapping or underlying units) and (b) the combined budget of the County for the current Fiscal Year, to the extent such items are not included in the audited financial statements referred to in paragraph (1) above;

(3) 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 2025 Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) 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 2025 Bonds or other material events affecting the tax status of the 2025 Bonds;

(g) modifications of the rights of the beneficial owners of the 2025 Bonds, if material;

(h) call of any of the 2025 Bonds, if material, and tender offers;

(i) defeasance of any of the 2025 Bonds;

(j) release, substitution, or sale of any property securing repayment of the 2025 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the County;

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) 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

(p) 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

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

For purposes of (o) and (p) above, “financial obligation” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The County agrees in the Contract that its undertaking described above is intended to be for the benefit of the Owners and the beneficial owners of the 2025 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the County’s obligations described above, but a failure to comply will not be an Event of Default under the

Contract and will not result in acceleration of the principal component of Installment Payments. An action must be instituted, had and maintained in the manner provided in the Contract for the benefit of all of the Owners and beneficial owners of the 2025 Bonds.

The County may modify from time to time, consistent with Rule 15c2-12, 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 Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2025 Bonds pursuant to the Indenture as may be amended from time to time.

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.

All documents provided to the MSRB as described above are to be provided 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 transmitting those documents or notices in a manner subsequently required by the SEC in lieu of the manner described above.

The provisions of this paragraph terminate on payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest with respect to the 2025 Bonds, the 2021 Bonds and any Additional Bonds.

[For each of the previous five years, the County has otherwise complied, in all material respects, with its existing continuing disclosure undertakings made pursuant to Rule 15c2-12.]

UNDERWRITING

The Underwriter is offering the 2025 Bonds pursuant to a firm underwriting contract. The Underwriter has agreed to purchase all (but not less than all) of the 2025 Bonds for an aggregate purchase price of \$_____ (which purchase price equals the aggregate principal amount of the 2025 Bonds [plus/less] [net] original issue [premium/discount] of \$_____ and less an Underwriter's discount equal to \$_____). The Underwriter's contract is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the County, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments

BofA Securities, Inc., the Underwriter of the 2025 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“*MLPF&S*”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for its selling efforts with respect to the 2025 Bonds.

RELATIONSHIPS

Parker Poe Adams & Bernstein LLP serves as Bond Counsel for the County and, from time to time, it and Chapman and Cutler LLP, counsel to the Underwriter, have represented the Underwriter as counsel in other financing transactions. Neither the County nor the Underwriter has conditioned the future employment of either of these firms in connection with any proposed financing issues for the County or for the Underwriter on the successful execution and delivery of the 2025 Bonds.

MUNICIPAL ADVISOR

DEC Associates, Inc. Charlotte, North Carolina (“*DEC Associates*”) is acting as municipal advisor to the County in connection with the issuance of the 2025 Bonds.

RATINGS

Moody’s Ratings (“*Moody’s*”) and S&P Global Ratings (“*S&P*”), have assigned independent ratings of “___” and “___,” respectively, to the 2025 Bonds. Such ratings reflect only the view of Moody’s and S&P at the time the ratings were given, and neither the County nor the Underwriter make any representations as to the appropriateness of such ratings.

The ratings are not a recommendation to buy, sell or hold the 2025 Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by Moody's or S&P. Any such action may have an adverse effect on the market price of the 2025 Bonds. Neither the County nor the Underwriter has undertaken any responsibility after the execution and delivery of the 2025 Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

MISCELLANEOUS

All quotations from and summaries and explanations of the Contract, the Deed of Trust and the Indenture contained herein or in **Appendix C** hereto do not purport to be complete, and reference is made to such documents for full and complete statements of their respective provisions. The Appendices attached hereto are a part of this Official Statement.

The information contained in this Official Statement has been compiled or prepared from information obtained from the County and other sources deemed to be reliable and, although not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

APPENDIX A
INFORMATION REGARDING THE COUNTY

APPENDIX B
MANAGEMENT'S DISCUSSION AND ANALYSIS
AND THE BASIC FINANCIAL STATEMENTS OF
CHATHAM COUNTY, NORTH CAROLINA

The County has not requested nor obtained the consent of its auditor to the inclusion of these financial statements in this Official Statement.

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E
BOOK-ENTRY ONLY SYSTEM

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

THE FOLLOWING DESCRIPTION OF DTC, OF PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE 2025 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE 2025 BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2025 BONDS, AND OR OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC Participants AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

1. The Depository Trust Company (“DTC”) will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of each series of the 2025 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2025 BONDS, AS DTC’S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2025 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE 2025 BONDS.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of the 2025 Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of the 2025 Bonds (“*Beneficial Owner*”) is in turn to be recorded

on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

4. To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2025 BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE COUNTY, TO DTC OR TO THE TRUSTEE, IT MAY BE DIFFICULT TO

TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2025 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

8. Redemption proceeds, distributions, and dividend payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE COUNTY AND THE TRUSTEE CANNOT AND DO NOT GIVE ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

9. DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the County and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

10. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE 2025 BONDS, OR THE SENDING OF ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TRUST AGREEMENT TO BE GIVEN TO OWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS UPON ANY PARTIAL PREPAYMENT OF THE 2025 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2025 BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.