

BOND PURCHASE AGREEMENT

Between

TOWN OF CHAPEL HILL, NORTH CAROLINA

and

ROBERT W. BAIRD & CO. INCORPORATED,  
as Representative of the Underwriters

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BOND PURCHASE AGREEMENT

concerning

\$ \_\_\_\_\_ \*  
**Town of Chapel Hill, North Carolina**  
**Limited Obligation Bonds**  
**Series 2021A**

\$ \_\_\_\_\_ \*  
**Town of Chapel Hill, North Carolina**  
**Taxable Limited Obligation Bonds**  
**Series 2021B**

July \_\_, 2021

Town of Chapel Hill, North Carolina  
Chapel Hill, North Carolina

Ladies and Gentlemen:

The underwriters named below (the "Underwriters") hereby offer to enter into the following purchase agreement (this "Bond Purchase Agreement") with the Town of Chapel Hill, North Carolina (the "Town"), which, upon the Town's acceptance of this offer, will be binding upon the Town and the Underwriters. This offer is made subject to the Town's acceptance of this Bond Purchase Agreement, which acceptance shall be evidenced by the execution and delivery of this Bond Purchase Agreement by a duly authorized officer of the Town on or before 12:00 P.M., Eastern Time, on the date hereof. Upon such acceptance, execution and delivery, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Town and the Underwriters. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as set forth in the Preliminary Official Statement (as defined below).

1. Purchase and Sale of the Bonds. Upon the terms and conditions and based on the representations, warranties and covenants hereinafter set forth, the Underwriters hereby agree to purchase from the Town, and the Town hereby agrees to sell to the Underwriters, all (but not less than all) of the (a) \$ \_\_\_\_\_ aggregate principal amount of the Town's Limited Obligation Bonds, Series 2021A (the "2021A Bonds") and (b) \$ \_\_\_\_\_ aggregate principal amount of the Town's Taxable Limited Obligation Bonds, Series 2021B (the "2021B Bonds" and, together with the 2021A Bonds, the "Bonds"), dated the date of payment for and delivery of the Bonds (such payment and delivery being herein sometimes called the "Closing"). The purchase price for the 2021A Bonds shall be \$ \_\_\_\_\_ (representing the aggregate par amount of the 2021A Bonds, plus a **[net]** original issuance **[premium/discount]** of \$ \_\_\_\_\_ and less an underwriters' discount of \$ \_\_\_\_\_) and the purchase price for the 2021B Bonds shall be \$ \_\_\_\_\_ (representing the aggregate par amount of the Bonds, less an underwriters' discount of \$ \_\_\_\_\_). The Underwriters shall pay the purchase price for the Bonds on the day of the Closing by wiring \$ \_\_\_\_\_, at the Town's direction, to the Trustee (as defined below).

The Bonds shall be issued and secured under and pursuant to a Trust Agreement, to be dated as of August 1, 2021 (the "Trust Agreement"), between the Town and U.S. Bank National Association as trustee (the "Trustee"). The Town is authorized pursuant to Section 20 of Chapter 160A of the General Statutes of North Carolina (the "Act"), to issue the Bonds for the purpose of providing funds to the Town to pay the costs (a) to acquire, construct, and equip various public facilities, assets and improvements, including a new parking deck and road improvements, (b) to refinance existing Town obligations, and (c) to pay financing costs

incurred in connection with the sale and issuance of the Bonds. The Town's issuance of the Bonds has been authorized by a resolution adopted by the Town Council of the Town on June 23, 2021 (the "Approving Resolution"). As security for performance of the Town's obligations under the Trust Agreement, the Town will execute and deliver to a deed of trust trustee (the "Deed of Trust Trustee"), for the benefit of the Trustee, a Deed of Trust and Security Agreement to be dated as of August 1, 2021 (the "Deed of Trust"), granting a first lien of record on the Mortgaged Property, subject to Permitted Encumbrances.

The Bonds shall be dated the date of the Closing, shall mature on the dates and in the amounts, shall bear interest at the rates and shall have the terms (including the redemption provisions) stated in Exhibit F attached hereto.

2. Public Offering. It shall be a condition to the Town's obligation to sell and deliver the Bonds to the Underwriters, and to the obligation of the Underwriters to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds is sold and delivered by the Town, and accepted and paid for by the Underwriters at the Closing. The Underwriters intend to make a bona fide public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices set forth in Exhibit F. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts or mutual funds) at prices lower than such public offering prices. The Underwriters reserve the right to make such changes in such prices as the Underwriters shall deem necessary in connection with the offering of the Bonds.

3. Establishment of Issue Price for the 2021A Bonds.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Town in establishing the issue price of the 2021A Bonds and shall execute and deliver to the Town at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Town and Sanford Holshouser LLP ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2021A Bonds.

(b) **[Except as otherwise set forth in Exhibit F attached hereto,]** the Town will treat the first price at which 10% of each maturity of the 2021A Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Town the price or prices at which the Underwriters have sold to the public each maturity of the 2021A Bonds. **[If at that time the 10% test has not been satisfied as to any maturity of the 2021A Bonds, the Representative agrees to promptly report to the Town the prices at which 2021A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) all 2021A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2021A Bonds of that maturity, provided that, the Underwriters' reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Representative, the Town or Bond Counsel.]** For purposes of this Section, if 2021A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2021A Bonds.

(c) **[The Representative confirms that the Underwriters have offered the 2021A Bonds to the public on or before the date of this Bond Purchase Agreement**

**at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit F attached hereto, except as otherwise set forth therein. Exhibit F also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2021A Bonds for which the 10% test has not been satisfied and for which the Town and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2021A Bonds, the Underwriters will neither offer nor sell unsold 2021A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:**

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or**
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the 2021A Bonds to the public at a price that is no higher than the initial offering price to the public.**

**The Representative will advise the Town promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the 2021A Bonds to the public at a price that is no higher than the initial offering price to the public.]**

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the 2021A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold 2021A Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all 2021A Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the 2021A Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of 2021A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2021A Bonds to the public (each term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to

the initial sale of the 2021A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2021A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2021A Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all 2021A Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the 2021A Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Town acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2021A Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2021A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2021A Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2021A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2021A Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Town further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2021A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2021A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2021A Bonds.

(f) The Underwriters acknowledge that sales of any 2021A Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2021A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2021A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2021A Bonds to the public (including a member of a selling group or

a party to a third-party distribution agreement participating in the initial sale of the 2021A Bonds to the public),

(iii) a purchaser of any of the 2021A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

4. Official Statement. The Town hereby ratifies and approves the Preliminary Official Statement dated July \_\_, 2021 (the "Preliminary Official Statement"), and consents to its distribution and use by the Underwriters prior to the date hereof in connection with the public offering and sale of the Bonds. The Town confirms that the Preliminary Official Statement was "deemed final" by the Town as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). Upon acceptance of this offer, the Town shall prepare a final Official Statement and shall, within the earlier of seven (7) business days following the date hereof or two business days prior to the Closing Date (as hereinafter defined), deliver to the Underwriters an electronic copy of such final Official Statement (such final Official Statement, together with any amendment or supplement thereto, being the "Official Statement"). The Official Statement and the Escrow Agreement, to be dated as of August 1, 2021 (the "Escrow Agreement"), between the Town and U.S. Bank National Association, as escrow agent (the "Escrow Agent") shall be prepared in a word-searchable PDF format and provided to the Underwriters in order for the Underwriters to comply with the Rule and any applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Official Statement shall be provided to the Underwriters no later than one business day prior to the Closing and the Escrow Agreement shall be provided to the Underwriters no later than four business days prior to the Closing in order to enable the Underwriters to comply with MSRB Rule G-32. The Town hereby authorizes and approves the Official Statement and consents to the use and distribution of the Official Statement by the Underwriters in connection with the public offering and sale of the Bonds. At the time of or prior to the Closing, the Underwriters will file, or cause to be filed, the Official Statement with the MSRB. In addition, the Town hereby approves and authorizes the Underwriters to coordinate the printing of the Official Statement and consents to the electronic distribution of the Official Statement.

5. Representations and Warranties of the Town. The Town hereby represents, warrants and covenants that:

(a) The Town is a municipal corporation duly organized and validly existing under the Constitution and laws of the State of North Carolina (the "State"), and is authorized pursuant to the laws of the State, including the Act, and the Approving Resolution to issue the Bonds.

(b) The Town has full legal right, power and authority to (i) adopt the Approving Resolution, (ii) execute, deliver and perform its obligations under this Bond Purchase Agreement, the Trust Agreement, the Bonds, the Escrow Agreement and the Deed of Trust;

(iii) issue and deliver the Bonds to the Underwriters as provided in this Bond Purchase Agreement; (iv) approve and authorize the distribution of the Preliminary Official Statement and the Official Statement; and (v) carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Trust Agreement, the Bonds, the Escrow Agreement, the Deed of Trust and the Official Statement.

(c) The Approving Resolution has been duly adopted by the Town, and the Town has duly authorized all necessary action to be taken by the Town for: (i) the offering, issuance, sale, and delivery of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery by the Town of the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Deed of Trust, the Escrow Agreement and the performance of its obligations under the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Deed of Trust, the Escrow Agreement and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Town in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement (the Bonds, this Bond Purchase Agreement, the Trust Agreement, the Deed of Trust, the Escrow Agreement and such other agreements and documents being collectively referred to herein as the "Town Documents"), and (iii) the authorization of the use and distribution of the Official Statement.

(d) The Approving Resolution was duly adopted at a meeting of the Town Council of the Town called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(e) This Bond Purchase Agreement, the Trust Agreement, the Deed of Trust, the Escrow Agreement and any other instrument or agreement to which the Town is a party in connection with the consummation of the transactions contemplated by the foregoing documents, when executed and delivered by the parties thereto, and assuming such documents are enforceable against the parties thereto other than the Town, will constitute legal, valid and binding obligations of the Town (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

(f) When delivered to and paid for by the Underwriters at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered by the Town and will constitute legal, valid and binding special obligations of the Town, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to the valid exercise of judicial discretion, the sovereign police powers of the State and constitutional powers of the United States of America and to any valid applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) and will be entitled to the benefits of, and secured as provided in, the Trust Agreement.

(g) The Town has complied, and will at the Closing be in compliance, in all material respects, with the Approving Resolution, the Trust Agreement and the Act and all other agreements relating to the 2021 Bonds undertaken by the Town or with respect to which the Town has assumed responsibility.



(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Town, threatened against or affecting the Town (or, to the knowledge of the Town, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Town from functioning or contesting or questioning the existence of the Town or the titles of the present officers of the Town to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the existence or powers of the Town or the validity or enforceability of the Bonds, the Approving Resolution, the Trust Agreement, this Bond Purchase Agreement, the Deed of Trust, the Escrow Agreement or any agreement or instrument to which the Town is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby including, without limitation, the Town Documents and the Official Statement; or (B) materially adversely affect (1) the transactions contemplated by the Town Documents or the Official Statement, or (2) the exemption of the interest on the Bonds from federal or State income taxation, as applicable.

(i) The Town's adoption of the Approving Resolution, its execution and delivery of the Town Documents and the Bonds, and compliance with the provisions thereof and hereof, do not and will not conflict with or constitute, on the Town's part, a violation of, breach of or default under any material statute, existing law, administrative regulation, filing, decree or order, state or federal, or any provision of the Constitution or laws of the State, or any rule or regulation of the Town, or any material indenture, mortgage, lease, deed of trust, note, resolution, or other agreement or instrument to which the Town, or its properties, are subject or by which the Town, or its properties, are or may be bound or, to the knowledge of the Town, any order, rule or regulation of any regulatory body or court having jurisdiction over the Town or its activities or properties.

(j) The Town is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default in any material respect under any document or instrument under and subject to which any indebtedness for borrowed money has been incurred which default would affect materially and adversely the transactions contemplated by any of the Town Documents. No event has occurred or is continuing under the provisions of any such document or instrument that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, which event of default would affect adversely the transactions contemplated by any of the Town Documents.

(k) The Town is not in material breach of or in default under the Approving Resolution, any applicable law or administrative regulation of the State or the United States, or any applicable judgment or decree, or any loan agreement, note, resolution or other agreement or instrument to which the Town is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Bonds and the transactions contemplated hereby, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(l) On and as of the Closing, all authorizations, consents, and approvals of, notices to, registrations or filings with, or actions in respect of any governmental body, agency, or other instrumentality or court required to be obtained, given, or taken on behalf of the Town in connection with the execution, delivery and performance by the Town of the Town Documents, and any other agreement or instrument to which the Town is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, will have been obtained, given, or taken and will be in full force and effect.

(m) Any certificate signed by an authorized officer of the Town delivered to the Underwriters shall be deemed a representation and warranty by the Town to the Underwriters as to the truth of the statements made therein.

(n) The Town has and will cooperate with the Underwriters and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request; provided, however, that the Town will not be required to execute a general or special consent to service of process or qualify to do business in connection with any qualification or determination in any jurisdiction.

(o) The audited financial statements of the Town as of June 30, 2020, present fairly the Town's financial condition as of such date and the results of its operations for the respective periods set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied. There has been no material change in the financial affairs of the Town since June 30, 2020, except as disclosed specifically in the Official Statement.

(p) If between the date of this Bond Purchase Agreement and the date 25 days after the "end of the underwriting period" for the Bonds, as defined in the Rule, any event occurs which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Town shall promptly provide written notice to the Underwriters thereof, and if, in the opinion of the Town or the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Town shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters. For purposes of this Bond Purchase Agreement, the "end of the underwriting period" shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriters shall have notified the Town to the contrary on or before the Closing Date.

(q) If the Official Statement is supplemented or amended pursuant to subsection (p) of this Section, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, the Town shall take all steps necessary to ensure that the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(r) The information in the Preliminary Official Statement (excluding therefrom the information under the captions "INTRODUCTION - Book-Entry-Only", "THE LOCAL GOVERNMENT COMMISSION" and "UNDERWRITING" and in Appendix E, as to which no representations or warranties are made), including its attachments and appendices, at the time of acceptance hereof is correct in all material respects, and such Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and the information in the Official Statement (excluding therefrom the information under the captions "INTRODUCTION - Book-Entry-Only", "THE LOCAL GOVERNMENT COMMISSION" and "UNDERWRITING" and in Appendix E, as to which no representations or warranties are made) as of its date and as of the Closing Date, will be true and correct and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated

therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(s) Between the date hereof and the Closing, the Town shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Town or except for such borrowings as may be described in or contemplated by the Official Statement.

(t) Except as described in the Official Statement, during the last five years, the Town has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

The execution and delivery of this Bond Purchase Agreement by the Town shall constitute a representation by the Town to the Underwriters that the representations, warranties and covenants contained in this Section 5 are true as of the date hereof; provided that no officer of the Town shall be individually liable for the breach of any representation, warranty or covenant made by the Town in this Section 5.

6. Closing. At 10:00 a.m., Eastern Time, on August \_\_, 2021, or at such other time or date as the Town and the Underwriters shall mutually agree upon (the "Closing Date"), the Town shall (a) deliver or cause to be delivered, through the custody of The Depository Trust Company, New York, New York ("DTC"), or at such place as the Town and Underwriters shall mutually agree upon, for the account of the Underwriters, the Bonds duly executed by the Town in fully registered form, bearing proper CUSIP numbers, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds; and (b) deliver or cause to be delivered, to the Underwriters at Winston-Salem, North Carolina, or at such other place as the Town and Underwriters may mutually agree upon, the documents described in Section 7(d) hereof. Concurrently with the delivery of the Bonds (which shall be delivered to the Trustee under DTC's FAST program) and the documents mentioned in Section 7(d) hereof at the Closing, subject to the conditions contained herein, the Underwriters will accept such delivery and will pay the purchase price of the Bonds in the amount set forth in Section 1 hereof by wire transfer in immediately available funds to the Trustee for the account of the Town. The Closing shall take place at the offices of the Town.

7. Closing Conditions/Right to Cancel. The Underwriters enter into this Bond Purchase Agreement in reliance upon the Town's representations and agreements herein and the performance by the Town of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriters' obligations under this Bond Purchase Agreement are and shall be subject to the following additional conditions:

(a) At the time of the Closing, the Approving Resolution, the Trust Agreement, the Escrow Agreement and the Deed of Trust shall be in full force and effect and none of the Approving Resolution, the Trust Agreement, the Deed of Trust, the Escrow Agreement or the Official Statement shall have been amended, modified or supplemented, except as may have been approved in writing by the Underwriters, and the Town shall have duly adopted, and there shall be in full force and effect, such other resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) The Bonds, as set forth in Section 7, shall be delivered to the Trustee to be held by the Trustee under DTC's FAST program.

(c) The Underwriters shall have the right to cancel its obligation to purchase the Bonds

at the time of Closing if any of the documents, certificates or opinions to be delivered to the Underwriters hereunder are not delivered at the time of Closing or if, between the date hereof and the time of Closing, one or more of the following occurs:

(i) Legislation (whether or not yet introduced in Congress of the United States ("Congress")) shall be enacted or be actively considered for enactment by the Congress or recommended to the Congress by the President of the United States or favorably reported for passage to either House of Congress by any committee of such House, or a conference committee of both Houses, to which such legislation had been referred for consideration, or a decision by a federal court of the United States or the United States Tax Court shall be rendered, or an order, ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other governmental agency shall be made or proposed, or a release or official statement made by the President of the United States or by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived by the Town or upon interest received on obligations of the general character of the Bonds which in the Underwriters' judgment, materially adversely affects the market for the Bonds; or

(ii) Legislation shall hereafter be enacted or actively considered for enactment or introduction, with an effective date on or prior to the Closing, or a decision by a court of the United States shall be rendered or a stop order, ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction shall be made, to the effect that the issuance, sale and delivery of the Bonds, or any other obligations of any similar public body of the general character of the Town is in violation of the Securities Act of 1933, as amended, of the Securities Exchange Act of 1934, as amended, or of the Trust Indenture Act of 1939, as amended or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby, or of obligations of the general character of the Bonds; or

(iii) There shall have occurred any outbreak or escalation of hostilities or other national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the Underwriters' judgment, would materially adversely affect the market for, or market price of, the Bonds; or

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

(v) A general banking moratorium shall have been declared by federal, State or New York authorities having jurisdiction, and be in force, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriters, impractical or inadvisable to

proceed with the offering of the Bonds as contemplated in the Official Statement; or

(vi) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and requires an amendment of or supplement to the Official Statement and the effect of which, in the judgment of the Underwriters, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Bonds; or

(vii) Neither S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") nor Moody's Investor Service, Inc. shall have taken any action to lower, suspend or withdraw its rating on the Bonds and such action, in the opinion of the Underwriter, would adversely affect the market price or marketability of the Bonds.

(d) At the Closing, the Underwriters shall receive the following documents:

(i) Duly executed or certified copies of each of the Trust Agreement, the Deed of Trust and the Escrow Agreement;

(ii) The approving opinion of Bond Counsel in the form set forth in Appendix D of the Official Statement together with a supplemental opinion substantially in the form attached hereto as Exhibit A, each of which shall be dated the Closing Date;

(iii) The opinion of Ann Anderson, Town Attorney, dated the Closing Date and addressed to the Underwriters and Bond Counsel substantially in the form attached hereto as Exhibit B;

(iv) Opinions of Womble Bond Dickinson (US) LLP, as counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters substantially in the forms attached hereto as Exhibits C and D;

(v) A certificate, dated the Closing Date, of the duly authorized representative(s) or officer(s) of the Town and in form and substance satisfactory to the Underwriter, to the effect that (A) the representations and agreements of the Town herein are true and correct in all material respects as of the date of Closing; (B) there are not pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the Trust Agreement, or the validity or enforceability of the Bonds, or the security therefor; (C) the financial information relating to the Town provided to the Underwriters presents fairly the financial position of the Town as of the date indicated therein and the results of its operations for the period specified therein and the financial statements from which such information was derived have been prepared in accordance with applicable law with respect to the period involved; (D) since June 30, 2020, there has not been any material adverse change in the financial condition of the Town taken as a whole or no increase in the Town's indebtedness for borrowed money, other than as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriters; (E) there are not pending or, to such officials' knowledge, threatened legal proceedings that will materially adversely affect the transactions contemplated hereby or by the

Trust Agreement, or the validity or enforceability of the Bonds, or the security therefor; (F) the information contained in the Official Statement as of the date of the Official Statement and as of the Closing Date is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (G) the Town has complied with all agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing, other than those specified hereunder that have been waived by the Underwriter;

(vi) A photocopy of the Official Statement;

(vii) One counterpart original of a transcript of all proceedings taken by the Town relating to the authorization and issuance of the Bonds;

(viii) Specimen Bonds;

(xi) A certificate, dated the date of the Closing, of the duly authorized representative(s) or officer(s) of the Town, with a copy of the Approving Resolution attached, to the effect that the Approving Resolution has been duly adopted and remains in full force and effect;

(x) A certificate, dated on or before the closing date, evidencing the property insurance required by the Trust Agreement;

(xi) A title insurance commitment satisfactory to the Underwriters (the "Title Commitment"), relating to the Deed of Trust and naming the Trustee as a beneficiary, together with a certificate of the Town Attorney in a form satisfactory to the Underwriters providing that the Deed of Trust has been recorded and that there are no encumbrances of record that were not present on the Title Commitment;

(xii) Federal tax form 8038-G prepared with respect to the 2021A Bonds and ready for filing;

(xiii) A tax certificate of the Town in form and content reasonably satisfactory to the Underwriter with respect to the 2021A Bonds;

(xiv) Evidence that Moody's and S&P have issued ratings for the Bonds of not less than "\_\_\_\_" and "\_\_\_\_", respectively;

(xv) Report of \_\_\_\_\_ verifying the mathematical accuracy of certain computations contained in the schedules provided to them by the Underwriters, which schedules relate to the sufficiency of the maturing principal of and interest on the United States Treasury obligations held in the Escrow Fund (as defined in the Escrow Agreement), together with any other funds deposited in such Escrow Fund, to pay when due, the redemption price of and interest with respect to the Refunded Bonds (as defined in the Official Statement);

(xvi) Opinion of Bond Counsel, dated as of the date of Closing, in form and substance acceptable to the Underwriters that the Refunded Bonds are no longer outstanding;

(xvii) Evidence that the 2015 Agreement (as defined in the Official Statement)

has been prepaid as of the date of issuance of the Bonds; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents, as the Underwriters or legal counsel to the Underwriters may reasonably request to evidence compliance by the Town with legal requirements relating to the issuance of the Bonds, the truth and accuracy, as of the date of Closing, of all representations contained herein and the due performance or satisfaction by the Town at or prior to the date of Closing of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Bond Purchase Agreement and the Trust Agreement.

If the Town shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Town or the Underwriters shall have any further obligations hereunder, except that Sections 9 and 10 and the representations and warranties of the Town contained herein (as of the date made) will continue in full force and effect.

8. Survival. All representations, warranties and agreements of the Town set forth in or made pursuant to this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds.

9. Payment of Expenses. The Town shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident to the performance of the obligations of the Town or the Underwriters hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing, distribution, and mailing, of the Official Statement; (ii) the fees and disbursements of Bond Counsel and counsel for the Town; (iii) the fees and disbursements of any experts and counsel retained by the Town or the Underwriter; (iv) fees charged by the rating agencies for the rating of the Bonds; and (v) the cost of qualifying the Bonds under the laws of such jurisdictions as the Underwriters may designate, including filing fees and fees and disbursements of counsel for the Underwriters in connection with such qualification and the preparation of Blue Sky Memoranda.

If the Bonds are not delivered to the Underwriters pursuant to this Bond Purchase Agreement, the Town shall pay all expenses incident to the performance of the Town's and the Underwriters' obligations hereunder as provided in this Section.

The Underwriters shall pay (i) any fees of the MSRB in connection with the issuance of the Bonds, (ii) the cost of obtaining CUSIP number(s) assigned for the Bonds and (iii) **[the fees and expenses of counsel for the Underwriter]**.

10. Indemnification. To the extent permitted by law, the Town agrees to indemnify and hold harmless the Underwriters, the directors, officers, employees and agents of the Underwriters and each person who controls the Underwriters within the meaning of either the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934, as amended (the "Exchange Act") against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact (except statements pertaining to the Underwriters) contained in the Preliminary Official Statement,

the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except omissions or alleged omissions pertaining to the Underwriters). This indemnity agreement will be in addition to any liability which the Town may otherwise have.

The Underwriters agree to indemnify and hold harmless the Town, and its officials, directors, officers and employees, and each person who controls the Town within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the Town to the Underwriters, but only with reference to written information furnished by the Underwriters to the Town or information provided by the Underwriters specifically for inclusion in the Preliminary Official Statement or the Official Statement (or in any amendment or supplement thereto).

Promptly after receipt by an indemnified party of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

In the event that the indemnity provided herein is unavailable or insufficient to hold harmless an indemnified party for any reason the Town and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to which the Town and the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Town on the one hand and by the Underwriters on the other from the offering. If the allocation provided by the immediately preceding



sentence is unavailable for any reason, the Town and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Town on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, as well as any other relevant equitable considerations. In no case shall the Underwriters be responsible for any amount in excess of the purchase discount or fee applicable to the Bonds purchased by the Underwriters hereunder. Benefits received by the Town shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total purchase discounts and commissions in each case set forth in the Official Statement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Town on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The Town and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Each person who controls the Underwriters within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriters shall have the same rights to contribution as the Underwriters, and each person who controls the Town within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the Town shall have the same rights to contribution as the Town, subject in each case to the applicable terms and conditions of this paragraph.

11. Notices. Any notice or other communication to be given to the Town under this Bond Purchase Agreement must be given in writing (not to include facsimile transmission or electronic mail) to the applicable address shown below, and any notice under this Bond Purchase Agreement to the Underwriters may be given by delivering the same in writing to the Underwriters as follows:

Town of Chapel Hill, North Carolina  
**[405 Martin Luther King Jr. Boulevard  
Chapel Hill, North Carolina 27514  
Attention: Director of Business Management]**

Robert W. Baird & Co. Incorporated  
380 Knollwood Street, Suite 440  
Winston-Salem, North Carolina 27103  
(Attention: Ryan Maher, Managing Director)

Any communication under this Agreement will be deemed given on the date shown on a United States Postal Service certified mail receipt, or a delivery receipt (or similar evidence) from a national commercial package delivery service.

12. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

13. Effectiveness. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Town.

14. Arm's-Length Transaction. The Town acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Town and the Underwriters, acting solely as principal and not as municipal advisor, financial advisor or agent of the Town. The Underwriters have not assumed a financial advisory responsibility in favor of the Town with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or are currently advising the Town on other matters) or any other obligation to the Town except the obligations expressly set forth in this Bond Purchase Agreement, it being the Town's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriters have provided to the Town prior disclosures regarding its role as underwriter, its compensation, any potential or actual material conflicts of interest, and material financial characteristics and material financial risks associated with the transaction to the extent required by MSRB rules. The Underwriters hereby notify the Town that the Underwriters are not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), the Underwriters are not an agent of the Town, and the Underwriters do not have a fiduciary duty to the Town in connection with the matters contemplated by this Bond Purchase Agreement. The Town has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

15. Miscellaneous. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

This Bond Purchase Agreement may be signed in any number of counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

This Bond Purchase Agreement is made solely for the benefit of and is binding on the Town and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by both of the parties hereto.

Under this Bond Purchase Agreement, the Underwriters are acting as a principal and not as an agent or fiduciary, and the Underwriters are engaged as independent contractors and not in any other capacity. The Town agrees that it is solely responsible for making its own judgments in connection with the offering of the Bonds regardless of whether the Underwriters have or are currently advising the Town on related or other matters.

16. E-Verify. The Underwriters understand that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Underwriters use E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Underwriters shall require that any subcontractor that it

uses in connection with the performance of its obligations under this Bond Purchase Agreement to certify to such subcontractor's compliance with E-Verify.

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Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED

WELLS FARGO BANK, NATIONAL ASSOCIATION

**By: ROBERT W. BAIRD & CO.  
INCORPORATED**, as Representative

By: \_\_\_\_\_  
Ryan Maher, Managing Director

Approved, accepted and agreed to:

**TOWN OF CHAPEL HILL, NORTH CAROLINA**

By: \_\_\_\_\_  
\_\_\_\_\_

[SUPPLEMENTAL OPINION OF BOND COUNSEL]

[Closing]

Robert W. Baird & Co. Incorporated  
Winston-Salem, North Carolina

Wells Fargo Bank, National Association  
Charlotte, North Carolina

Re: \$\_\_\_\_\_Town of Chapel Hill, North Carolina Limited Obligation Bonds,  
Series 2021A and \$\_\_\_\_\_Town of Chapel Hill, North Carolina Taxable  
Limited Obligation Bonds, Series 2021B

Ladies and Gentlemen:

We have acted as bond counsel to the Town of Chapel Hill, North Carolina (the "Town"), in connection with the execution and delivery of \$\_\_\_\_\_Town of Chapel Hill, North Carolina Limited Obligation Bonds, Series 2021A and \$\_\_\_\_\_Town of Chapel Hill, North Carolina Taxable Limited Obligation Bonds, Series 2021B (the "Bonds"), and related transactions. Robert W. Baird & Co. Incorporated and Wells Fargo Bank, National Association, as underwriters (the "Underwriters"), are purchasing the Bonds pursuant to a Bond Purchase Agreement, dated July \_\_, 2021 (the "Bond Purchase Agreement"), between the Town and the Underwriters. All terms used in this opinion as capitalized defined terms and not otherwise defined have the meanings specified for those terms in the Bond Purchase Agreement.

The Town is and has been our only client in this transaction. Our delivering this opinion to you does not create or indicate an attorney-client relationship between our firm and you.

In our capacity as bond counsel, we have today delivered our principal approving opinion (the "Bond Opinion") relating to the legality, validity and enforceability of the Bonds, the tax status of certain interest payments and certain other matters, all as described in the Bond Opinion. In connection with acting as the underwriter for the Bonds, the Underwriters are authorized to rely upon the Bond Opinion to the same extent as if it were addressed to the Underwriters.

We have examined the applicable law and certified copies of proceedings and documents relating to this issuance of the Bonds, and made other examinations and investigations of law, as we have deemed necessary and appropriate as a basis for the opinions expressed below.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of originals of such copies. As to any facts material to this opinion that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Town and others.

Based on the foregoing, as of today and under existing law, we are of the following opinions:

1. The Town has duly authorized, executed and delivered the Bond Purchase Agreement. Assuming the due authorization, execution and delivery of the Bond Purchase Agreement by the Underwriters, the Bond Purchase Agreement is a legal, valid and binding agreement of the Town enforceable against the Town in accordance with its terms. Our opinions in this paragraph are subject to the effect (a) of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, and (b) of general principles of equity, regardless of whether applied in a proceeding in equity or at law.

2. The Town has duly authorized and delivered the Official Statement. The Town has consented to the distribution of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds.

3. The information contained in the Official Statement on the cover and under the headings "INTRODUCTION—Security", "—The 2021 Bonds" and "—Additional Bonds" "THE 2021 BONDS," "SECURITY AND SOURCES OF PAYMENT OF 2021 BONDS," and "CONTINUING DISCLOSURE OBLIGATION," and in Appendix C - "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," to the extent that information purports to summarize certain terms of the Trust Agreement, the Deed of Trust and the Bonds, fairly and accurately summarizes those terms. The statements contained in the Official Statement under the headings "INTRODUCTION—TAX STATUS" and "TAX TREATMENT" present fairly and accurately the matter referred to therein.

4. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

We have not made any investigation concerning the Town's operations or condition. We express (and have expressed) no opinion as to the Town's ability to provide for payments on the Bonds.

This opinion is based on constitutional and statutory provisions and judicial decisions existing today. We assume no responsibility to update this opinion or take any other action regarding changes in facts, circumstances or the applicable law.

[OPINION OF TOWN ATTORNEY]

[Closing]

Robert W. Baird & Co. Incorporated  
Winston-Salem, North Carolina

Wells Fargo Bank, National Association  
Charlotte, North Carolina

Re: \$\_\_\_\_\_Town of Chapel Hill, North Carolina Limited Obligation Bonds,  
Series 2021A and \$\_\_\_\_\_Town of Chapel Hill, North Carolina Taxable  
Limited Obligation Bonds, Series 2021B

Ladies and Gentlemen:

We have served as the Town Attorney for the Town of Chapel Hill, North Carolina (the "Town") and have served in such capacity in connection with the execution and delivery on the date hereof of the above-referenced bonds (the "Bonds"). The Bonds are being issued under and pursuant to the terms of a Trust Agreement, dated as of August 1, 2021 (the "Trust Agreement"), between the Town and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being purchased on the date hereof by Robert W. Baird & Co. Incorporated and Wells Fargo Bank, National Association (the "Underwriters") pursuant to the terms of a Bond Purchase Agreement, dated July \_\_, 2021 (the "Bond Purchase Agreement"), between the Town and the Underwriters. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Bond Purchase Agreement.

Based upon such examination as we have deemed necessary for the purpose of expressing the opinions set forth below, we are of the opinion, as of the date hereof and under existing law, that:

1. The Town is a municipal corporation duly organized and validly existing under the Constitution and laws of the State of North Carolina.

2. All authorizations, approvals, consents or orders of any governmental entity or any other person, association or corporation required for the valid issuance of the Bonds, the execution or delivery by the Town of the Bond Purchase Agreement, the Trust Agreement, the Escrow Agreement and the Deed of Trust, and any other transactions effected or contemplated thereby have been obtained, except that we express no opinion as to any action required under federal or state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriters, or any authorizations, approvals, consents or orders required under the North Carolina Local Government Finance Act.

3. The Town is not in breach of or default under any applicable law or administrative regulation of the State of North Carolina or the United States or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the Town is a party or is otherwise subject, which breach or default would in any way materially adversely affect the transactions contemplated by the Bond Purchase Agreement, the Trust Agreement, the Escrow Agreement or the Deed of Trust and no event has occurred and is continuing which with the passage of time or giving of notice, or both, would constitute such a breach of or default thereunder.

4. The issuance of the Bonds and the execution and delivery of the Bond Purchase Agreement, the Deed of Trust, the Escrow Agreement and the Trust Agreement and compliance with the provisions of each will not conflict with or constitute a violation or breach of or default under any applicable law, rule or regulation of the United States or of the State of North Carolina or of any department, division, agency or instrumentality thereof, or any applicable order, judgment or decree of any court or other governmental agency or body or any bond, note, loan agreement, resolution, certificate, agreement or other instrument to which the Town is a party or by which the Town or its property is bound.

5. There is no action, suit, proceeding, inquiry or investigation at law or in equity before any court, public board or body pending, or to the best of our knowledge, threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement or which, in any way, would adversely affect the validity of the Bond Purchase Agreement, the Trust Agreement, the Deed of Trust, the Escrow Agreement, the Bonds or the exemption of interest on the Bonds from taxation as described in the Official Statement.

Based upon information made available to us in the course of our representation of the Town, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to our attention that would lead us to believe that the information contained in the Official Statement under the headings "THE PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," "AVAILABLE SOURCES FOR PAYMENT," "CERTAIN RISKS OF 2021 BOND OWNERS," "THE TOWN," "LEGAL MATTERS--Litigation" and Appendix A to the Official Statement (excluding in all cases financial and statistical data included or mentioned therein, as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,



[OPINION OF UNDERWRITERS' COUNSEL]

[Closing]

Robert W. Baird & Co. Incorporated  
Winston-Salem, North Carolina

Wells Fargo Bank, National Association  
Charlotte, North Carolina

Re: \$\_\_\_\_\_Town of Chapel Hill, North Carolina Limited Obligation Bonds,  
Series 2021A and \$\_\_\_\_\_Town of Chapel Hill, North Carolina Taxable  
Limited Obligation Bonds, Series 2021B

Ladies and Gentlemen:

We have acted as counsel to you, the Underwriters, in connection with your purchase on the date hereof of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement, dated July \_\_, 2021 (the "Bond Purchase Agreement"), among the Town of Chapel Hill, North Carolina (the "Town") and you. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Bond Purchase Agreement.

We have examined such documents and reviewed such questions of law and made such other inquiries as we have considered appropriate for the purpose of this opinion. On the basis of the foregoing, we are of the opinion, as of the date hereof and under existing law, that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements made in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that cause us to believe that the Official Statement (except for any financial and statistical data, forecasts, numbers, estimates, assumptions, expressions of opinion and information concerning The Depository Trust Company and the book-entry system for the Bonds, which we expressly exclude from the scope of this sentence) contains, as of the date hereof, any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. In rendering the advice set forth in this paragraph, we are not rendering any opinion with respect to the validity or tax status of the Bonds. On the date hereof, Sanford Holshouser LLP has rendered its approving legal opinion with respect to such matters and have consented to your reliance thereon. The advice set forth in this paragraph is given assuming the accuracy of such counsel's opinion.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any

facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur.

[OPINION OF UNDERWRITERS' COUNSEL]

[Closing]

Robert W. Baird & Co. Incorporated  
Winston-Salem, North Carolina

Wells Fargo Bank, National Association  
Charlotte, North Carolina

Re: \$\_\_\_\_\_Town of Chapel Hill, North Carolina Limited Obligation Bonds,  
Series 2021A and \$\_\_\_\_\_Town of Chapel Hill, North Carolina Taxable  
Limited Obligation Bonds, Series 2021B

Pursuant to a Bond Purchase Agreement, dated July \_\_, 2021 (the "Bond Purchase Agreement"), between the Town of Chapel Hill, North Carolina (the "Town") and you, you are purchasing on the date hereof the above-referenced bonds (the "Bonds"). Capitalized terms used herein shall have the meanings given such terms in the Bond Purchase Agreement.

Pursuant to the Trust Agreement, the Town has undertaken to provide certain annual financial information and operating data relating to the Town and notices of the occurrence of certain events as specified in the Trust Agreement and the Official Statement (the "Undertaking").

The United States Securities and Exchange Commission (the "SEC") has promulgated Rule 15c2-12, as amended ("Rule 15c2-12") under the Securities Exchange Act of 1934, as amended. Rule 15c2-12 requires, among other things, that underwriters of municipal securities determine that the issuer of the municipal securities or an obligated person (as such terms are defined in Rule 15c2-12) have undertaken to provide certain continuing disclosure information specified by Rule 15c2-12 to the Municipal Securities Rulemaking Board at the times and in the manner specified by Rule 15c2-12. The SEC has issued a number of releases (the "SEC Releases") that discuss Rule 15c2-12 and various amendments and proposed amendments thereto and various comments received by the SEC regarding the same. Rule 15c2-12 has also been the subject of commentary and interpretation by various SEC letters to industry participants responding to questions posed to the SEC (the "SEC Interpretation Letters").

Based upon our review of the Undertaking, the Rule Amendments, the SEC Releases and the SEC Interpretation Letters, we are of the opinion that the Undertaking will permit you to comply with clause (b)(5) of Rule 15c2-12 in connection with the primary offering of the Bonds. In rendering the foregoing opinion, we do not express any opinion as to the validity or enforceability of the Undertaking and, with your consent, are assuming such validity and enforceability.

This opinion is furnished by us for your sole benefit in connection with your offering and sale of the Bonds, and no other person or entity may rely upon this opinion without our prior express written consent.

[FORM OF ISSUE PRICE CERTIFICATE]

**[To be inserted.]**

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING  
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(To be attached—"General Rule" and "Hold-the-Offering-Price" Maturities to be delineated in attachment)

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

(To be attached)

## MATURITY SCHEDULE

## 2021A Bonds

Maturities, Amounts, Interest Rates, Redemption Provisions and Yields of the Bonds

Due December 1	Principal Amount	Interest Rate	Initial Public Offering Price	Yield	At Least 10% Sold at Initial Public Offering	Maturities Subject to Hold- the-Offering- Price Rule
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<sup>c</sup> Yield to December 1, 20\_\_ call date at 100%.

## 2021B Bonds

Maturities, Amounts, Interest Rates, Redemption Provisions and Yields of the Bonds

<u>Due December 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Public Offering Price</u>	<u>Yield</u>
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Optional Redemption. The 2021 Bonds maturing on or after December 1, 20\_\_ are subject to redemption at the Town's option, in whole or in part on any date on or after December 1, 20\_\_, upon payment of the principal amount to be redeemed plus interest accrued to the redemption date, without any prepayment penalty or premium.

Mandatory Sinking Fund Redemption. The 2021 Bonds maturing on December 1, 20\_\_ are required to be redeemed in part prior to maturity on December 1 in the years and amounts set forth below, at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date, without any prepayment penalty or premium, as follows:

Year

Amount

\*Maturity