



Agenda

Greenville City Council

January 11, 2018
6:00 PM

City Council Chambers
200 West Fifth Street

Assistive listening devices are available upon request for meetings held in the Council Chambers. If an interpreter is needed for deaf or hearing impaired citizens, please call 252-329-4422 (voice) or 252-329-4060 (TDD) no later than two business days prior to the meeting.

I. Call Meeting To Order

II. Invocation - Mayor Connelly

III. Pledge of Allegiance

IV. Roll Call

V. Approval of Agenda

- Public Comment Period

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all person who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

VI. Appointments

1. Appointments to Boards and Commissions

VII. New Business

Public Hearings

2. Ordinance to annex Parkside Bluffs, Section 2, Phase 1A, Lot 4 involving 3.329 acres located at the current terminus of Parkside Drive
3. Ordinance requested by Amanda M. Garris and Karl B. Manning et. al. to rezone 21.6929 acres located between Dickinson Avenue Extension and Greenville Boulevard and 800+/- feet west of Williams Road from RA20 (Residential-Agricultural) and CG (General Commercial) to R6 (Residential [High Density Multi-family])
4. Ordinance requested by James F. Hopf and Amy A. Wells, Co-Trustees of the Trust Created Under the Last Will and Testament of Philip E. Carroll, to rezone 1.0025 acres located along the southern right-of-way of Pactolus Highway and 850+/- feet east of Mumford Road from RA20 (Residential-Agricultural) to OR (Office-Residential [High Density Multi-family])

Other Items of Business

5. Resolution approving a lease agreement with the Greenville Industrial-Eppes High School Alumni Heritage Society for a portion of the C.M. Eppes Recreation Center
6. Bond Order Resolution providing for the Issuance and Sale of Stormwater System Revenue Bonds, Series 2018

VIII. City Manager's Report

IX. Comments from Mayor and City Council

X. Adjournment



City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Appointments to Boards and Commissions

Explanation: **Abstract:** The City Council fills vacancies and makes reappointments to the City's boards and commissions. Appointments are scheduled to be made to eleven of the boards and commissions.

Explanation: City Council appointments need to be made to the Community Appearance Commission, Firefighters Relief Fund Committee, Greenville Bicycle & Pedestrian Commission, Historic Preservation Commission, Human Relations Council, Investment Advisory Committee, Pitt-Greenville Convention & Visitors Authority, Police Community Relations Committee, Public Transportation & Parking Commission, Redevelopment Commission, and the Youth Council.

The City's Board and Commission Policy on the Pitt-Greenville Convention & Visitors Authority states that the City Council shall make the nomination to the County on five of the members, and appointment of County members shall be made by the Pitt County Commissioners based on the nominations of City Council. The County seats for Christopher Jenkins and Monta Stegall are up for nomination.

The City Council updated the Board and Commission Policy on August 15, 2016. A provision for extended vacancies was included:

Nominations for Extended Vacancies

In the event there is a vacancy on a City board or commission which has been on the City Council agenda for appointment by City Council for more than three (3) calendar months in which a regular City Council meeting has been held, then any Council Member may make a nomination to fill the vacancy without regard to any other provision relating to who has the authority to make the nomination. If there is more than one nomination, the appointment shall be conducted in accordance with the procedure for nominations and elections in Robert's Rules of Order.

Under this provision, the following seats are open to nominations from the City Council:

- Jorgette Mullins - Community Appearance Commission
- Ryan Naziri - Community Appearance Commission
- Kathy Moore - Human Relations Council, Shaw University Seat
- Maurice Whitehurst - Human Relations Council, Pitt Community College Seat
- Christopher Jenkins - Pitt-Greenville Convention & Visitors Authority, County - Resident not involved in tourist or convention-related business
- Monta Stegall - Pitt-Greenville Convention & Visitors Authority, County - Hotel/motel owner or operator
- Richard Patterson, Sr. - Redevelopment Commission
- 2 vacant seats - Youth Council, Pitt County High Schools

Fiscal Note: No direct fiscal impact.

Recommendation: Make appointments to the Community Appearance Commission, Firefighters Relief Fund Committee, Greenville Bicycle & Pedestrian Commission, Historic Preservation Commission, Human Relations Council, Investment Advisory Committee, Pitt-Greenville Convention & Visitors Authority, Police Community Relations Committee, Public Transportation & Parking Commission, Redevelopment Commission, and Youth Council.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [Muni Report Appointments to Boards and Commissions 998631](#)

Appointments to Boards and Commissions

January 2018

Community Appearance Commission

Council Liaison: Council Member Rick Smiley

Name	District #	Current Term	Reappointment Status	Expiration Date
Jorgette Mullins	1	First term	Resigned	April 2020
Ryan Naziri	4	Filling unexpired term	Resigned	July 2018

Firefighters' Relief Fund Committee

Council Liaison: n/a

Name	District #	Current Term	Reappointment Status	Expiration Date
Peter Geiger	4	First term	Eligible	Jan. 2018

Greenville Bicycle & Pedestrian Commission

Council Liaison: Council Member Will Bell

Name	District #	Current Term	Reappointment Status	Expiration Date
Roy Ennis	5	Filling unexpired term	Eligible	Jan. 2018
Patrick Harris	4	Second term	Ineligible	Jan 2018
Robert Turner	5	First term	Eligible	Jan. 2018

Historic Preservation Commission

Council Liaison: Council Member William Litchfield

Name	District #	Current Term	Reappointment Status	Expiration Date
Alice Arnold	3	First term	Resigned	Jan. 2019

Kerry Carlin	1	Second term	Ineligible	Jan. 2018
Justin Edwards	4	Filling unexpired term	Eligible	Jan 2018
William Gee	5	First term	Not seeking additional term	Jan. 2018

Human Relations Council

Council Liaison: Mayor Pro-Tem Rose Glover

Name	District #	Current Term	Reappointment Status	Expiration Date
Prudencio Martinez-Mengal	3	Second term	Ineligible	Sept. 2017
Rajesh Verma		Filling unexpired term	Resigned	Sept. 2017
Kathy Moore (Shaw University)	3	First term	Did not seek additional term	October 2016
Maurice Whitehurst (Pitt Community College)	2	Second term	Did not meet attendance Requirement	Oct. 2015

Investment Advisory Committee

Council Liaison: Council Member William Litchfield

Name	District #	Current Term	Reappointment Status	Expiration Date
Cameron Lovitt	5	Filling unexpired term	Did not meet attendance requirement	Oct. 2017

Pitt-Greenville Convention & Visitors Authority

Council Liaison: Council Member Brian Meyerhoeffer

Name	District #	Current Term	Reappointment Status	Expiration Date
Christopher Jenkins (Resident not involved in tourist or convention related business)	County		Resigned	July 2017

Monta Stegall	County	First term	Resigned	July 2019
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(Owner/Operator of hotel/motel)

Police Community Relations Committee

Council Liaison: Council Member Rick Smiley

Name	District #	Current Term	Reappointment Status	Expiration Date
Leonard Naipaul	2	First term	Resigned	Oct. 2019

(Mayor Pro-Tem Rose Glover)

Public Transportation & Parking Commission

Council Liaison: Mayor Pro-Tem Rose Glover

Name	District #	Current Term	Reappointment Status	Expiration Date
Warren Daniels	1	Filling unexpired term	Eligible	Jan. 2018
Andrew Denton	3	First term	Eligible	Jan. 2018
Charles Moore	3	First term	Eligible	Jan. 2018

Redevelopment Commission

Council Liaison: Council Member Will Bell

Name	District #	Current Term	Reappointment Status	Expiration Date
Jeremy King	4	Final term	No longer eligible	Nov. 2017

(Council Member William F. Litchfield, Jr.)

Angela Marshall	1	Final term	Resigned	Nov. 2017
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(Council Member Kandie Smith)

Richard Patterson, Sr.	2	Final term	Resigned	Nov. 2017
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(Mayor Pro-Tem Rose Glover)

Youth Council

Council Liaison: Mayor Pro-Tem Rose Glover

Name	Current Term	Reappointment Status	Expiration Date
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8 spots open; 2 spots open to the City Council

*Seats that are open to nomination from the City Council are highlighted.

Applicants for Community Appearance Commission

Angelica Diaz
1305 Presidio Lane
Greenville, NC 27834

Application Date: 10/18/2017

Home Phone: (252) 341-4691

Business Phone:

District #: 2

Christopher Powell
108 B Chandler Drive
Greenville, NC 27834

Application Date: 6/24/2016

Home Phone: (252) 714-0286

Business Phone:

Applicants for Firefighters Relief Fund Committee

None.

Applicants for Greenville Bicycle and Pedestrian Commission

Daniel Hemme
3921 Nantucket Road #B
Greenville, NC 27834

Application Date: 2/12/2017

Home Phone: (919) 698-0792

Business Phone: (252) 327-6729

Email: hemmedp@gmail.com

District #: 1

Applicants for Historic Preservation Commission

Shelva Jones Davis
127 Antler Road
Greenville, NC 27834

Application Date: 1/31/2017

District #: 5

Home Phone: (252) 321-0494
Business Phone:
Email: shelva.davis@gmail.com

Eric Hogue
2911 Tripp Lane
Greenville, NC 27834

Application Date:

District #: 1

Home Phone:
Business Phone: (252) 375-1445
Email: ericdhogue@gmail.com

Jeremy Jordan
707 West 4th Street
Greenville, NC 27834

Application Date: 11/3/2017

District #: 1

Home Phone: (252) 341-3066
Business Phone: (252) 328-4733
Email: jtjgvle@gmail.com

Charles Ogletree
2072 G Quail Ridge Road
Greenville, NC 27858

Application Date: 8/24/2017

District #: 4

Home Phone: (252) 689-4771
Business Phone: (252) 796-7379
Email: cwounc1962@gmail.com

Applicants for Human Relations Council

Eric Hogue
2911 Tripp Lane
Greenville, NC 27834

District #: 1

Deborah J. Monroe
1308 Old Village Road
Greenville, NC 27834

District #: 1

Bridget Moore
4128A Bridge Court
Winterville, NC 28590

District #: 5

Katie Elizabeth Ray
132 N. Library St.
Greenville, NC 27858

District #: 3

Travis Williams
3408 Evans Street Apt. E
Greenville, NC 27834

District #: 5

Stephanie Winfield
1103 Red Banks Road
Greenville, NC

District #: 4

Application Date:

Home Phone: (252) 373-1445
Business Phone:
Email: erichogue@gmail.com

Application Date: 1/15/2015

Home Phone: (252) 714-0969
Business Phone:
Email: debj.monroe@gmail.com

Application Date: 8/28/2014

Home Phone: (252) 355-7377
Business Phone: (252) 355-0000
Email: bmoore2004@netzero.com

Application Date: 08/17/2017

Home Phone: (919) 604-3131
Business Phone:
Email:

Application Date:

Home Phone: (252) 412-4584
Business Phone:
Email:

Application Date: 7/14/2017

Home Phone:
Business Phone:
Email: ladona12@gmail.com

Applicants for Investment Advisory Committee

Nathan Cohen
409 Maple Street
Greenville, NC 27858

District #: 3

Yifan Guo
3420 Briarcliff Dr. Apt. X
Greenville, NC 27834

District #: 1

Application Date: 12/13/2017

Home Phone: (366) 442-7227
Business Phone: (252) 215-2536
Email: nathan.cohen@wellsfargoadvisors.com

Application Date: 9/10/2016

Home Phone: (215) 756-4710
Business Phone:
Email: guoyifan82@gmail.com

Applicants for Pitt-Greenville Convention & Visitors Authority (County)

Applicant Interest Listing

Convention & Visitors Authority

Debbie Avery
3010 Sapphire Lane
Winterville NC 28590

Day Phone: (252) 531-4590
Evening Phone: (252) 756-9832
Fax:
E-mail: davery60@hotmail.com

Gender: F
Race: White
District: 4
Priority:

Applied for this board on: 2/9/2017

Application received/updated: 02/09/2017

Applicant's Attributes: County Planning Jurisdiction
District 4
VolAg Southwest

Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)			
	Organization	Description	Date(s)
Education	East Carolina	BS - Education	
Education	Ayden Grifton High		
Experience	First State Bank		1978-1984
Experience	ECU School of Medicine	Standardized Patient	2007-present
Experience	Pitt County Schools	Middle School Science Teacher	30 years
Experience	Winterville Chamber of Commer	Executive Director	
Volunteer/Prof. Associations	Winterville Kiwanis Club		
Volunteer/Prof. Associations	Winterville Watermelon Festival		

Chenele Coleman-Sellers
3467 Old River Road
Greenville NC 27834

Day Phone: (252) 258-0644
Evening Phone:
Fax: (919) 237-1957
E-mail: chenele1128@gmail.com

Gender: F
Race: African
District: 2
Priority:

Applied for this board on: 5/19/2016

Application received/updated: 05/19/2016

Applicant's Attributes: County Planning Jurisdiction

Applicant Interest Listing

VolAg Northwest
North of the River
District 2

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>			
	Organization	Description	Date(s)
Education	ECPI University	AAS	
Education	Eastern High School		
Experience	Community Non-profits & Farms	Medical Asst, Customer Service, & Pt	
Experience	Department of Veteran Affairs	MSA	
Volunteer/Prof. Associations	Alliance Medical Ministry		
Volunteer/Prof. Associations	Veteran Affairs		

<u>Boards Assigned To</u>	
Home and Community Care Block Grant Committee Person over 60 years of age	10/3/2016 to 10/3/2019

Robert Corbett
3879 Bell Road
P.O. Box 61
Fountain NC 27829

Day Phone: (252) 749-4421
Evening Phone:
Fax:
E-mail: rcorbett27829@gmail.com

Gender: M
Race: White
District: 4
Priority:

Applied for this board on: 1/29/2016

Application received/updated: 01/29/2016

Applicant's Attributes: Fountain ETJ
South of the River
VolAg Southwest

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>			
	Organization	Description	Date(s)
Education	Farville High School		
Experience	Tobacco Processing		40+ yrs

Applicant Interest Listing

Experience	Standard Commerical Tobacco	22+ yrs
Experience	Imperial Tobacco	18+ yrs
Experience	NC National Guard	
Volunteer/Prof. Associations	Fountain Wellness Ctr Board	
Volunteer/Prof. Associations	Rural Fire Board	
Volunteer/Prof. Associations	Meals on Wheels	
Volunteer/Prof. Associations	Past Fireman	

<u>Boards Assigned To</u>		
Fire District Commission		2/15/2016 to 12/31/2015
Fountain FD		

Brad Guth
113 Loran Circle
Greenville NC 27858

Day Phone: (704) 240-1095
Evening Phone: (252) 689-4323
Fax:
E-mail: bradjguth@bellsouth.net

Gender: M
Race: White
District: 6
Priority:

Applied for this board on: 4/22/2016

Application received/updated: 04/22/2016

Applicant's Attributes: Greenville ETJ
VolAg Southeast
South of the River

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>			
	<u>Organization</u>	<u>Description</u>	<u>Date(s)</u>
Education	University of Tenn Knoxville TN	MS	
Education	Furman U. Greenville SC	BA	
Education	Travelers Rest High School, SC		
Experience	Gaffney Main Street Program, G	Executive Director	
Experience	Pride of Kinston, Kinston NC	Executive Director	
Experience	City of Lincolnton, NC	Business & Community Development	

Applicant Interest Listing

Experience	Craven County Schools	Teacher
Volunteer/Prof. Associations	Lincoln County Apple Festival	
Volunteer/Prof. Associations	Habitat For Humanity	
Volunteer/Prof. Associations	Rotary	
Volunteer/Prof. Associations	Gaston-Lincoln Comm Action/H	
Volunteer/Prof. Associations	Lincolnton-Lincoln Co. Chamber	
Volunteer/Prof. Associations	Lincolnton-Lincoln Co. Historic	
Volunteer/Prof. Associations	United Way of Lincoln County	

<u>Boards Assigned To</u>		
Greenville Board Of Adjustment Greenville ETJ	12/19/2016 to	12/19/2019
Pitt County Planning Board District 6	9/12/2016 to	9/30/2019

Ralph Hall Jr
111 Hardee Street
Greenville NC 27858

Day Phone:
Evening Phone: (252) 756-0262
Fax:
E-mail: bajhall@aol.com

Gender: M
Race: White
District: 6
Priority: 0

Applied for this board on: 2/26/2003

Application received/updated: 02/26/2003

Applicant's Attributes: District 6
Greenville ETJ
VolAg Southeast

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>			
	<u>Organization</u>	<u>Description</u>	<u>Date(s)</u>
Education	University of South Carolina	Civil Engineering	1955-1957
Education	Edenton High		

Applicant Interest Listing

Experience	Phillippines Construction	Project Manager	1962-1966
Experience	Foreign Service Staff Officer	Civil Engineer	1966-1969
Experience	Odell Associates	Hospital Construction Engineer	1969-1973
Experience	PCMH	Vice-President of Facilities	1973-2001
Volunteer/Prof. Associations	N.C. Bio-Medical Association		
Volunteer/Prof. Associations	N.C. Association of Health Care		
Volunteer/Prof. Associations	American Society of Health Care		
Volunteer/Prof. Associations	American Cancer Society		
Volunteer/Prof. Associations	State Board of Directors		

<u>Boards Assigned To</u>		
Industrial Revenue & Pollution Control Authority		3/15/2004 to 3/15/2007

Ernis Lee
834 Aspen Lane
Greenville NC 27834

Day Phone: (252) 341-5696
Evening Phone: (252) 689-2381
Fax: (252) 321-4626
E-mail: elee@email.pittcc.edu

Gender: M
Race: African
District: 2
Priority:

Applied for this board on: 2/10/2015

Application received/updated: 02/06/2015

Applicant's Attributes: District 2
County Planning Jurisdiction
North of the River
VolAg Northeast

Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)			
	Organization	Description	Date(s)
Education	Elizabeth City State University	B.A.	
Education	Roanoke High		
Experience	PCC Putreach w/ Ernis Lee	Radio Broadcaster	

Applicant Interest Listing

Experience	Pitt Community College	Director of College Outreach
Experience	United States Army	2nd Lieutenant
Volunteer/Prof. Associations	Mentor	
Volunteer/Prof. Associations	West Greenville Community Dev	Board Member
Volunteer/Prof. Associations	Eastern Carolina Counseling Cen	Former Board Member

<u>Boards Assigned To</u>		
Development Commission		6/6/2016 to 12/31/2018
P.C. Nursing Home/Adult Care Community Advisory		3/7/2016 to 3/17/2019

Ashley Moore
4695 Old Tar Road
Winterville NC 28590

Day Phone: (252) 321-6700
Evening Phone: (252) 341-8223
Fax:
E-mail: atmoore75@gmail.com

Gender: M
Race: White
District: 5
Priority:

Applied for this board on: 3/23/2017

Application received/updated: 03/23/2017

Applicant's Attributes: Winterville City Limits
South of the River
VolAg Southeast

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>			
	<u>Organization</u>	<u>Description</u>	<u>Date(s)</u>
Education	East Carolina University		
Education	DH Conley	High School	
Experience	Stormwater Advisory Board		
Volunteer/Prof. Associations	Winterville Historical Society		

Donald Rhodes
4785 US 258

Day Phone: (252) 753-4609
Evening Phone: (252) 916-5566

Gender: M
Race: White

Convention & Visitors Authority
Thursday, April 27, 2017

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Applicant Interest Listing

Farmville NC 27828

Fax:
E-mail: drhodes@centurylink.net

District: 4
Priority:

Applied for this board on: 1/29/2016

Application received/updated: 01/29/2016

Applicant's Attributes:

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>		
Organization	Description	Date(s)
Education	East Carolina University	B'S, MAED
Education	West Edgecombe High School	
Experience	Self employed - Mosquito Auth	Co-owner & operator
Experience	Pitt County Schools	
Experience	Edgecombe County Public Schoo	
Volunteer/Prof. Associations	Fountain Fire Rural Board	
Volunteer/Prof. Associations	SECU Board	

<u>Boards Assigned To</u>		
Animal Services Advisory Board		2/6/2017 to 2/6/2020
At large		
Fire District Commission		2/15/2016 to 12/31/2015
Fountain FD		

Karen Thigpen
1221 Benjamin Dr
Greenville NC 27834

Day Phone: (252) 328-5664
Evening Phone: (252) 481-2991
Fax: (252) 328-4219
E-mail: thigpenk@ecu.edu

Gender: F
Race: African
District: 2
Priority:

Applied for this board on: 8/4/2015

Application received/updated: 08/04/2015

Applicant's Attributes: Greenville ETJ
North of the River
VolAg Northwest

Applicant Interest Listing

Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)			
	Organization	Description	Date(s)
Education	University of NC at Chapel Hill		
Education	North Pitt High School		
Experience	Literacy of Orange County		
Experience	LMC Case Management		
Experience	Height Home, LLC		
Experience	East Carolina University	Administrative Associate	
Volunteer/Prof. Associations	Love Ministries Inc		
Volunteer/Prof. Associations	LMC Case Management		
Volunteer/Prof. Associations	ECU Brody School of Med Celeb		

Guilford Whitfield
3478 Hwy 258
P.O. Box 496
Fountain NC 27829

Day Phone: (252) 749-3425
Evening Phone: (252) 749-6201
Fax:
E-mail:

Gender: M
Race: African
District: 4
Priority:

Applied for this board on: 1/29/2016

Application received/updated: 01/29/2016

Applicant's Attributes: Fountain ETJ
South of the River
VolAg Southwest

Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)			
	Organization	Description	Date(s)
Education	2 years of College	Commercial Artist	
Education	High School - yes		
Experience	Retired CIA		20+ years
Volunteer/Prof. Associations	Town of Fountain		

Applicant Interest Listing

<u>Boards Assigned To</u>		
Fire District Commission	2/15/2016	to 12/31/2015
Fountain FD		

Audrea Williams Day Phone: (252) 258-5005 Gender: F
 2100 Flagstone Ct. Evening Phone: Race: African
 Unit 05 Fax: District: 1
 Greenville NC 27834 E-mail: Priority:

Applied for this board on: 12/12/2016 Application received/updated: 12/12/2016

Applicant's Attributes: Greenville City Limits
 VolAg Southwest
 South of the River

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>		
<u>Organization</u>	<u>Description</u>	<u>Date(s)</u>
Education	Shaw University	B.S. Business Admin, M.S. Human Re
Education	J.H. Rose High School	
Experience	Vidant Medical Center	Financial Coordinator

Eric Williams Day Phone: (252) 258-5002 Gender: M
 527 Rachel Lane Evening Phone: Race: African
 Grimesland NC 27858 Fax: District: 3
 E-mail: logerw423@gmail.com Priority:

Applied for this board on: 12/11/2014 Application received/updated: 02/01/2016

Applicant's Attributes: County Planning Jurisdiction
 South of the River
 VolAg Southeast

<u>Experience (Educ./Vol./Prof. Assoc./Military/Other Appointed Positions, etc.)</u>		
<u>Organization</u>	<u>Description</u>	<u>Date(s)</u>

Applicants for Police Community Relations Committee

Jack T Brock
1141-A Turtle Creek
Greenville, NC 27858

District #: 4

Yifan Guo
3420 Briarcliff Dr. Apt. X
Greenville, NC 27834

District #: 1

Whitley Taylor Pollard
609 Elm Street
Greenville, NC 27858

District #: 3

Application Date: 12/21/2017

Home Phone: (252) 916-2087
Business Phone: (252) 321-2020
Email: jbrock@ck-attorneys.com

Application Date: 9/10/2016

Home Phone: (215) 756-4710
Business Phone:
Email: guoyifan82@gmail.com

Application Date: 7/14/2016

Home Phone: (252) 717-6764
Business Phone:
Email: pollardwhitely@gmail.com

Applicants for Public Transportation and Parking Commission

Richard Malloy Barnes
206 South Elm Street, Apt. N
Greenville, NC 27858

Application Date: 12/10/2014

Home Phone: (252) 752-5278

Business Phone:

Email: kiltedmile@aol.com

District #: 3

Applicants for Redevelopment Commission

Byron Aynes
1903 Brook Road
Greenville, NC 27858

District #: 4

Alan Brock
1403 Kaley Ct. B
Greenville, NC 27858

District #: 4

Jack Brock
1141 Turtle Creek Dr. Apt. A
Greenville, NC 27858

District #: 4

Andrew Thorpe Denton
1413-A Oak Ridge St.
Greenville, NC 27834

District #: 3

Robert Kevin Howard
2745 North Chatham Court
Winterville, NC 28590

District #: 2

Anna L. Logemann
1105 Turtle Creek Road Unit G
Greenville, NC 27858

District #: 4

Deryck Wilson
1744 Beaumont Drive
Greenville, NC 27858

District #: 4

Application Date: 9/17/2016

Home Phone: (252) 414-1710

Business Phone:

Email: byron.rha@gmail.com

Application Date:

Home Phone: (252) 367-7599

Business Phone: (252) 215-5599

Email: alanbrock@kw.com

Application Date:

Home Phone: (252) 916-2087

Business Phone: (252) 321-2020

Email: jtbrockii@gmail.com

Application Date:

Home Phone: (252) 292-3437

Business Phone: (252) 355-7006

Email: andrew@overtongroup.net

Application Date: 5/29/2014

Home Phone: (252) 258-7900

Business Phone: (252) 227-4313

Email: gvegasmagazine@hotmail.com

Application Date: 4/26/2017

Home Phone: (336) 624-6514

Business Phone:

Email: annlogemann85@gmail.com

Application Date: 11/21/2017

Home Phone: (252) 714-5950

Business Phone:

Email: deryck.wilson@me.com

Applicants for Youth Council

None.



City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Ordinance to annex Parkside Bluffs, Section 2, Phase 1A, Lot 4 involving 3.329 acres located at the current terminus of Parkside Drive

Explanation: **Abstract:** The City received a voluntary annexation petition to annex Parkside Bluffs, Section 2, Phase 1A, Lot 4 involving 3.329 acres located at the current terminus of Parkside Drive. The subject area is vacant and is anticipated to accommodate 26,100 square feet of commercial space.

ANNEXATION PROFILE

A. SCHEDULE

1. Advertising date: January 1, 2018
2. City Council public hearing date: January 11, 2018
3. Effective date: June 30, 2018

B. CHARACTERISTICS

1. Relation to Primary City Limits: Contiguous
2. Relation to Recognized Industrial Area: Outside
3. Acreage: 3.329
4. Voting District: 3
5. Township: Grimesland
6. Zoning: CG (General Commercial)
7. Land Use: Existing: Vacant

Anticipated: 26,100 square feet of commercial space

8. Population:

	Formula	Number of People
Total Current	-----	0
Estimated at full development	-----	0
Current Minority	-----	0
Estimated Minority at full development	-----	0
Current White	-----	0
Estimated White at full development	-----	0

* - 2.2 people per household in Greenville

9. Rural Fire Tax District: Eastern Pines
10. Greenville Fire District: Station #6 (Distance of 2.0 miles)
11. Present Tax Value: \$179,657
Estimated Future Tax Value: \$2,789,657

Fiscal Note: The total estimated tax value at full development is \$2,789,657.

Recommendation: Approve the attached ordinance to annex Parkside Bluffs, Section 2, Phase 1A, Lot 4

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

-  [Survey](#)
 -  [Ordinance - Parkside Bluffs Sect 2 Ph 1A Lot 4 1066321](#)
-

ORDINANCE NO. 18-
AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF
THE CITY OF GREENVILLE, NORTH CAROLINA

WHEREAS, the City Council of the City of Greenville has been petitioned under G.S. 160A-31, as amended, to annex the area described herein; and

WHEREAS, the City Council has directed the City Clerk to investigate the sufficiency of said petition; and

WHEREAS, the City Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at City Hall at 6:00 p.m. on the 11th day of January, 2018, after due notice by publication in The Daily Reflector on the 1st day of January, 2018; and

WHEREAS, the City Council does hereby find as a fact that said petition meets the requirements of G.S. 160A-31, as amended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES ORDAIN:

Section 1. That by virtue of the authority vested in the City Council of the City of Greenville, North Carolina, under G. S. 160A-31, as amended, the following described contiguous territory is annexed:

TO WIT: Being all of that certain property as shown on the annexation map entitled "Parkside Bluffs, Section 2, Phase 1A, Lot 4" involving 3.329 acres as prepared by Baldwin Design Consultants, PA.

LOCATION: Lying and being situated in Grimesland Township, Pitt County, North Carolina, located at the current terminus of Parkside Drive.

GENERAL DESCRIPTION: Beginning at an existing iron pipe at the northwestern terminus of Parkside Drive as recorded in Map Book 76, Page 14 of the Pitt County Register of Deeds. From the above described beginning, so located, running thence as follows:

With the western right-of-way of Parkside Drive S 26°52'18" W 20.26', thence leaving the western right-of-way of Parkside Drive, N 62°42'44"W 34.74', thence S 27°17'16" W 39.83', thence N 62°48'28" W 101.85', thence N 63°32'05" W 69.18', thence N 63°06'00" W 227.21', thence N 30°01'38" E 303.29', thence S 62°48'28" E 488.92', thence S 22°08'18" E 60.00', thence S 67°51'42" W 24.30' to the point of curvature, thence with a curve to the left an arc distance of 121.62' said curve having a radius of 170.00' and a chord bearing S 47°22'00" W 119.04' to the point of tangency, thence S 26°52'18" W 67.62', thence S 13°37'59" W 3.94' to an existing iron pipe at the northeastern terminus of Parkside Drive, thence with the northern terminus of Parkside Drive as referenced above, N 62°55'21" W 60.90' to the point of beginning containing 3.329 acres and being a portion of the property described in Deed Book 2043, Page 165 of the Pitt County Register of Deeds.

Section 2. Territory annexed to the City of Greenville by this ordinance shall, pursuant to the terms of G.S. 160A-23, be annexed into Greenville municipal election district three. The City Clerk, City Engineer, representatives of the Board of Elections, and any other person having responsibility or charge of official maps

or documents shall amend those maps or documents to reflect the annexation of this territory into municipal election district three.

Section 3. The territory annexed and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in the City of Greenville and shall be entitled to the same privileges and benefits as other territory now within the City of Greenville. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 4. The Mayor of the City of Greenville, North Carolina, shall cause a copy of the map of the territory annexed by this ordinance and a certified copy of this ordinance to be recorded in the office of the Register of Deeds of Pitt County and in the Office of the Secretary of State in Raleigh, North Carolina. Such a map shall also be delivered to the Pitt County Board of Elections as required by G.S. 163-288.1.

Section 5. This annexation shall take effect from and after the 30th day of June, 2018. Attachment number 1
Page 2 of 2

ADOPTED this 11th day of January, 2018.

P. J. Connelly, Mayor

ATTEST:

Carol L. Barwick, City Clerk

NORTH CAROLINA
PITT COUNTY

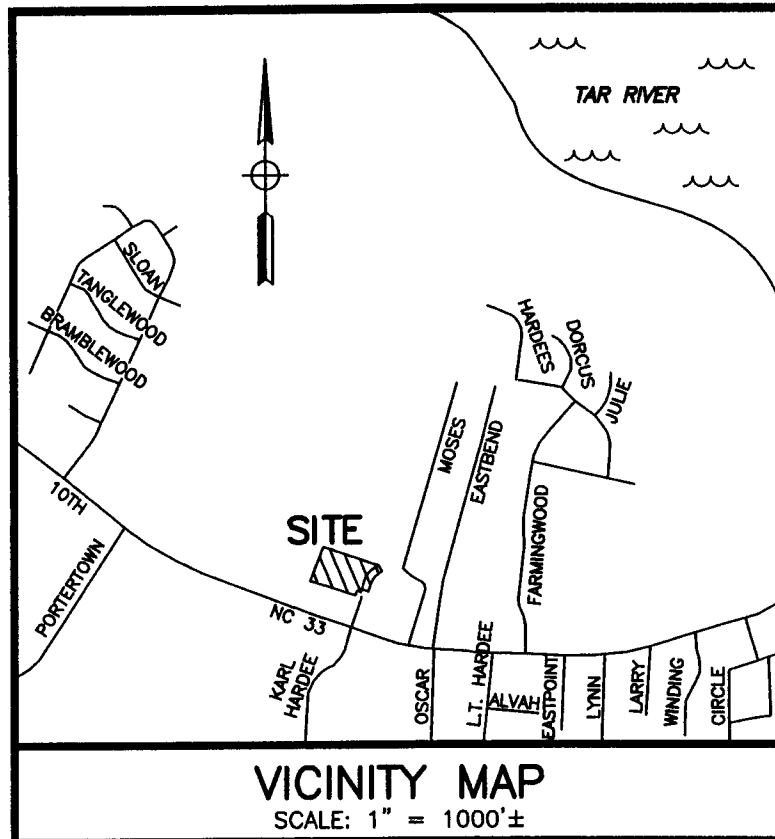
I, Polly Jones, a Notary Public for said County and State, certify that Carol L. Barwick personally came before me this day and acknowledged that she is the City Clerk of the City of Greenville, a municipality, and that by authority duly given and as the act of the municipality, the foregoing instrument was signed in its name by its Mayor, sealed with the corporate seal, and attested by herself as its City Clerk.

WITNESS my hand and official seal this ____th day of _____, 2018.

Notary Public

My Commission Expires: _____

1066321



CITY OF GREENVILLE
DB 973, PG 552
MB 52, PG 117

V-SLEW, LLC.
DB 2043, PG 165
MB 68, PG 65

V-SLEW, LLC.
DB 2043, PG 165
MB 68, PG 65

BAYT SHALOM
DB 379, PG 135

V-SLEW, LLC.
DB 2043, PG 165
MB 68, PG 65

(A)
BEACH ROAD HOLDINGS, LLC.
DB 3593, PG 275
PARKSIDE BLUFFS
MB 76, PG 14

V-SLEW, LLC.
DB 2043, PG 165
MB 68, PG 65

NC HWY 33 - EAST TENTH STREET
(30 METER R/W PVMT WIDTH VARIES PUBLIC)

HORIZON VIEW WAY
(30' R/W 30' B/B PUBLIC)
(NAMED ACCESS DRIVEWAY)

LEGEND

- R/W = RIGHT-OF-WAY
- EIP = EXISTING IRON PIPE
- SIP = SET IRON PIPE
- EIS = EXISTING IRON STAKE
- PVMT = PAVEMENT
- B/B = BACK OF CURB TO BACK OF CURB
- PC = POINT OF CURVATURE
- PT = POINT OF TANGENCY

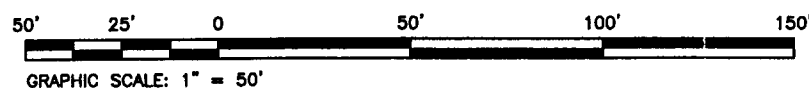
Attachment number 2
Page 1 of 1

GENERAL NOTES

1. THIS MAP IS OF A SURVEY THAT IS OF ANOTHER CATEGORY.
2. ALL AREAS CALCULATED BY COORDINATE GEOMETRY.
3. REFERENCE: A PORTION OF THE PROPERTY DESCRIBED IN DEED BOOK 2043, PAGE 165 OF THE PITT COUNTY REGISTER OF DEEDS.

LEGEND

- NEW CITY LIMIT LINE =
- OLD CITY LIMIT LINE =
- CITY LIMIT LINE =



A PORTION OF TAX PARCEL #10412
TAX MAP #5607-32-5198

SHEET 1 OF 1

**ANNEXATION MAP FOR
PARKSIDE BLUFFS**

SECTION 2, PHASE 1A,

OWNER: **V-SLEW, LLC**
ADDRESS: 1528 EVANS STREET ANNEX 2
GREENVILLE, N.C. 27834
PHONE: (252)-355-6622

Baldwin Design Consultants, PA
ENGINEERING - LAND PLANNING - SURVEYING
1700-D EAST ARLINGTON BOULEVARD
GREENVILLE, NC 27858 252.756.1390

LICENSE # C-3498
SURVEYED: BW APPROVED: JGG
DRAWN: JGG DATE: 12/01/2017
CHECKED: JGG SCALE: 1" = 1/8" # 2

MAP NO.	PLATS RECORDED	MAP BOOK	PAGE

MAP SHOWING AREA ANNEXED BY
THE CITY OF GREENVILLE, N.C
(EFFECTIVE DATE _____ ORDINANCE # _____ AREA 3.329 AC.)
_____ GRIMESLAND TOWNSHIP, PITT COUNTY, N.C.

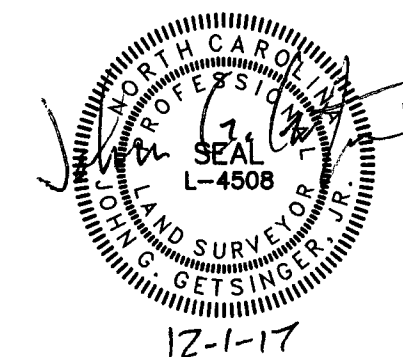
CLOSURE CHECK BOUNDARY
CHECKED: JGG DATE: 12/01/2017

CERTIFICATION

THIS IS TO CERTIFY THAT THIS MAP WAS DRAWN UNDER MY DIRECTION AND SUPERVISION FROM AN ACTUAL FIELD LAND SURVEY PERFORMED UNDER MY DIRECTION AND SUPERVISION THAT THE ERROR OF CLOSURE AS CALCULATED BY LATITUDES AND DEPARTURES IS 1:10,000, THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN AS DASHED LINES; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED.

WITNESS MY HAND AND SEAL THIS 1st DAY OF DECEMBER, 2017.

John G. Getsinger, Jr.
JOHN G. GETSINGER, JR., PLS L-4508



12-1-17



City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Ordinance requested by Amanda M. Garris and Karl B. Manning et. al. to rezone 21.6929 acres located between Dickinson Avenue Extension and Greenville Boulevard and 800+/- feet west of Williams Road from RA20 (Residential-Agricultural) and CG (General Commercial) to R6 (Residential [High Density Multi-family])

Explanation: **Abstract:** The City has received a request from Amanda M. Garris and Karl B. Manning et. al. to rezone 21.6929 acres located between Dickinson Avenue Extension and Greenville Boulevard and 800+/- feet west of Williams Road from RA20 (Residential-Agricultural) and CG (General Commercial) to R6 (Residential [High Density Multi-family]).

Required Notices:

Planning and Zoning meeting notice (property owner and adjoining property owner letter) mailed on December 5, 2017.

On-site sign(s) posted on December 5, 2017.

City Council public hearing notice (property owner and adjoining property owner letter) mailed on December 27, 2017.

Public hearing legal advertisement published on January 1 and January 8, 2018.

Comprehensive Plan:

The Future Land Use and Character Map recommends mixed use (MU) at the southeastern corner of the intersection of Dickinson Avenue Extension and Greenville Boulevard transitioning to office/institutional (OI) along the southern right-of-way of Dickinson Avenue Extension and traditional neighborhood, medium-high density (TNMH) east of Williams Road.

The Future Land Use and Character Map recommends potential conservation/open space (PCOS) along the southern boundary of the subject property. The map is not meant to be dimensionally specific and may not correspond precisely with conditions on the ground. When considering rezoning requests or other development proposals, some areas classified as conservation/open space may be

determined not to contain anticipated development limitations. In such cases, the future preferred land use should be based on adjacent Land Use Plan designations, contextual considerations, and the general policies of the comprehensive plan.

Mixed Use

Small-scale activity centers that contain places to live, work, and shop integrated in a walkable pattern. Mixed Use buildings are located close together and near the street. Buildings tend to be smaller than Mixed Use Center, High Intensity, supporting primarily locally-oriented uses and serving as a transition in intensity to nearby neighborhoods.

Intent:

- Vertical mixed use buildings (residential or office above commercial) as well as various single-use buildings that are integrated in a walkable street pattern
- Accommodate parking on-street, behind or to one side of buildings, or in parking structures; limit curb cuts that break main pedestrian ways; wrap parking structures with other uses or decorative elements; light parking well for safety
- Provide pedestrian and vehicular connection to surrounding development

Primary uses:

Office

Commercial

Multi-family residential

Secondary uses:

Institutional/Civic

Office/Institutional

These areas serve as a transition between more intense commercial areas and surrounding neighborhoods. The form of future development should take a more walkable pattern with shorter blocks, buildings near streets, shared parking, and connections to surrounding development.

Intent:

- Provide connectivity to nearby uses (paths, streets)
- Locate new buildings near street on at least one side and accommodate parking to the side or rear of buildings; cluster buildings to consolidate and share surface parking
- Improve/provide public realm features such as signs, sidewalks, landscaping
- Reduce access-points into development for pedestrian and vehicular safety

Primary Uses:

Office

Institutional/Civic

Traditional Neighborhood, Medium-High Density

Primarily residential area featuring a mix of higher density housing types ranging from multi-family, townhomes, and small-lot single-family detached. They are typically located within a walkable distance to a neighborhood activity center. Traditional neighborhoods should have a walkable street network of small blocks, a defined center and edges, and connections to surrounding development.

Intent:

- Provide streetscape features such as sidewalks, street trees, and lighting
- Allow neighborhood-scale commercial or mixed use centers at key intersections within neighborhoods

Primary uses:

Multi-family residential

Single-family residential attached (townhomes) and detached (small-lot)

Secondary uses:

Institutional (neighborhood scale)

Thoroughfare/Traffic Report Summary (PWD- Engineering Division):

Based on the possible uses permitted by the requested rezoning, the proposed rezoning classification could generate 1,929 trips to and from the site on Dickinson Avenue Extension, which is a net increase of 1,211 additional trips per day. During the review process, measures to mitigate the traffic will be determined. A traffic assessment may be required.

History/Background:

In 1976, the property was incorporated into the City's extra-territorial jurisdiction (ETJ) and zoned RA20 as part of a large-scale ETJ extension. In 1981, a portion of the property was rezoned to CN and then to CG in 2013.

Present Land Use:

Two (2) single-family residences and farmland

Water/Sewer:

Water and sanitary sewer are available.

Historic Sites:

There are no known effects on historic sites.

Environmental Conditions/Constraints:

There are no known environmental condition/constraints.

Surrounding Land Uses and Zoning:

North: RA20 - Brook Hollow Duplexes common area and two (2) single-family residences

South: CH - Crossland Homes Dealership; CG - Family Dollar and vacant (under common ownership of the applicant)

East: RA20 - Manning Forest Townhomes common area and one (1) single-family residence

West: RA20 - Two (2) single-family residences (one under common ownership of applicant); CG - vacant (under common ownership of the applicant)

Density Estimates:

Under the current zoning, the site could accommodate 60-75 single-family lots.

Under the proposed zoning, the site could accommodate 250-290 multi-family units (1, 2 and 3 bedrooms).

The anticipated build-out time is within 2-5 years.

Fiscal Note: No cost to the City.

Recommendation:

In staff's opinion, the request is in compliance with Horizons 2026: Greenville's Community Plan and the Future Land Use and Character Map.

"In compliance with the comprehensive plan" should be construed as meaning the requested zoning is (i) either specifically recommended in the text of the Horizons Plan (or addendum to the plan) or is predominantly or completely surrounded by the same or compatible and desirable zoning and (ii) promotes the desired urban form. The requested district is considered desirable and in the public interest, and staff recommends approval of the requested rezoning.

The Planning and Zoning Commission voted unanimously to approve the request at its December 19, 2017 meeting.

If the City Council determines to approve the zoning map amendment, a motion to adopt the attached zoning map amendment ordinance will accomplish this. The ordinance includes the statutorily required statement describing whether the action taken is consistent with the comprehensive plan and explaining why Council considers the action taken to be reasonable and in the public interest.

If City Council determines to deny the zoning map amendment, in order to comply with this statutory requirement, it is recommended that the motion be as follows:

Motion to deny the request to rezone and to make a finding and determination that

the rezoning request is inconsistent with the adopted comprehensive plan including, but not limited to, Policy 1.1.1 guide development with the Future Land Use and Character Map and Policy 1.1.6 guide development using the Tiered Growth Approach, and further that the denial of the rezoning request is reasonable and in the public interest due to the rezoning request does not promote, in addition to the furtherance of other goals and objectives, the safety and general welfare of the community because the requested zoning is not consistent with the recommended Future Land Use and Character designation.

Note: In addition to the other criteria, the Planning and Zoning Commission and City Council shall consider the entire range of permitted and special uses for the existing and proposed zoning districts as listed under Title 9, Chapter 4, Article D of the Greenville City Code.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

- 📎 [Attachments](#)
 - 📎 [Ordinance - Garris and Manning 1065580](#)
 - 📎 [Minutes - Garris and Manning 1065820](#)
-

ORDINANCE NO. 18-
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GREENVILLE
REZONING TERRITORY LOCATED WITHIN THE PLANNING AND ZONING
JURISDICTION OF THE CITY OF GREENVILLE, NORTH CAROLINA

WHEREAS, the City Council of the City of Greenville, North Carolina, in accordance with Article 19, Chapter 160A, of the General Statutes of North Carolina, caused a public notice to be given and published once a week for two successive weeks in The Daily Reflector setting forth that the City Council would, on the 11th day of January, 2018, at 6:00 p.m., in the Council Chambers of City Hall in the City of Greenville, NC, conduct a public hearing on the adoption of an ordinance rezoning the following described territory;

WHEREAS, the City Council has been informed of and has considered all of the permitted and special uses of the districts under consideration;

WHEREAS, in accordance with the provisions of North Carolina General Statute 160A-383, the City Council does hereby find and determine that the adoption of the ordinance zoning the following described property is consistent with the adopted comprehensive plan and other officially adopted plans that are applicable and that the adoption of the ordinance zoning the following described property is reasonable and in the public interest due to its consistency with the comprehensive plan and other officially adopted plans that are applicable and, as a result, its furtherance of the goals and objectives of the comprehensive plan and other officially adopted plans that are applicable;

WHEREAS, as a further description as to why the action taken is consistent with the comprehensive plan and other officially adopted plans that are applicable in compliance with the provisions of North Carolina General Statute 160A-383, the City Council of the City of Greenville does hereby find and determine that the adoption of this ordinance is consistent with provisions of the comprehensive plan including, but not limited to, Policy 1.1.1 guide development with the Future Land Use and Character Map and Policy 1.1.6 guide development using the Tiered Growth Approach; and

WHEREAS, as a further explanation as to why the action taken is reasonable and in the public interest in compliance with the provisions of North Carolina General Statute 160A-383, the City Council of the City of Greenville does hereby find and determine that the adoption of this ordinance will, in addition to the furtherance of other goals and objectives, promote the safety and general welfare of the community because the requested zoning is consistent with the recommended Future Land Use and Character designation and is located in a Primary Service Area;

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES
HEREBY ORDAIN:

Section 1. That the following described territory is rezoned from RA20 (Residential-Agricultural) and CG (General Commercial) to R6 (Residential).

TO WIT: Amanda Manning Garris and Karl Brown Manning et. al.

LOCATION: Located between Dickinson Avenue Extension and Greenville Boulevard and 800+/- feet west of Williams Road.

DESCRIPTION: Lying and being situated in Greenville Township, Pitt County, North Carolina and being more particularly described as follows:

Beginning at the southeast corner of Parcel 1 of the Amanda M. Garris property as recorded in Deed Book 1399, Page 82 of the Pitt County Registry said point being located S 79-23-07 E – 1,508.80’, thence N 06-27-39 W – 214.75’, thence N 06-21-12 W – 138.46’, thence N 89-22-34 E – 235.32’ from the centerline intersection of US Hwy 264 A – Greenville Blvd. and US Hwy 13 – Dickinson Avenue Extension, thence from said point of beginning with the eastern line of the Amanda M. Garris property N 25-10-27 W – 257.64’ to the southeast corner of the Dianne Manning property as recorded in Deed Book V 53, Page 263, thence with the eastern line of the Dianne Manning property N 25-29-13 W – 131.95’ to the southern right-of-way of US Hwy 13 – Dickinson Avenue Extension, thence with the southern right-of-way of US Hwy 13 – Dickinson Avenue Extension N 64-49-56 E – 141.24’, thence N 64-34-57 E – 88.44’, thence N 63-49-25 E – 96.78’, thence N 63-19-46 E – 205.45’, thence N 62-39-30 E – 101.43’, thence N 62-04-33 E – 105.65’, thence N 61-25-42 E – 101.15’, thence N 61-01-28 E – 101.16’, thence N 60-42-44 E – 88.52’, thence N 60-21-58 E – 291.46’ to the northwest corner of the Jean J. Allen property, thence with the western line of the Jean J. Allen property S 02-13-10 E – 83.26’ to the northwest corner of the First South Bank property as recorded in Deed Book 2877, Page 576, thence with the western line of the First South Bank property S 06-56-06 W – 1228.03’ to the northern line of the John F. Moye, Sr. property as recorded on Deed Book 1051, Page 615, thence with the northern line of the John F. Moye, Sr. property S 59-54-22 W – 155.84’, thence S 89-14-19 W – 65.64’, thence N 87-50-45 W – 142.16’, thence S 69-27-45 W – 150.58’ to the southeast corner of the Eastern Pride, Inc. property as recorded in Deed Book 3089, Page 271, thence with the eastern line of the Eastern Pride, Inc. property N 04-48-12 E – 251.60’, thence N 79-06-24 W – 331.36’, thence N 25-10-27 W – 165.00’ to the point of beginning containing 21.6929 acres.

Section 2. That the Director of Community Development is directed to amend the zoning map of the City of Greenville in accordance with this ordinance.

Section 3. That all ordinances and clauses of ordinances in conflict with this ordinance are hereby repealed.

Section 4. That this ordinance shall become effective upon its adoption.

ADOPTED this 11th day of January, 2018.

P. J. Connelly, Mayor

ATTEST:

Carol L. Barwick, City Clerk

1065580

Excerpt from the DRAFT Planning & Zoning Commission Minutes (12/19/2017)

ORDINANCE REQUESTED BY AMANDA M. GARRIS AND KARL B. MANNING ET AL TO REZONE 21.6929 ACRES LOCATED BETWEEN DICKINSON AVENUE EXTENSION AND GREENVILLE BOULEVARD AND 800+/- FEET WEST OF WILLIAMS ROAD FROM RA20 (RESIDENTIAL-AGRICULTURAL) AND CG (GENERAL COMMERCIAL) TO R6 (RESIDENTIAL [HIGH DENSITY MULTI-FAMILY]) - APPROVED

Mr. Gooby delineated the property. It is located between Dickinson Avenue Extension and Greenville Boulevard. This request consists of several parcels and two (2) zoning districts. This rezoning will result in all of the property being rezoned to R6. This area contains a variety of uses: churches, residential and retail. It is anticipated this request could generate an increase of 1,200 trips per day. Since there is commercial zoning to the south, ingress/egress will be on Dickinson Avenue and will eventually connect to Manning Forest Townhomes. Under the proposed zoning, the site could accommodate 60-75 single-family lots. Under the requested zoning, the site could accommodate 250-290 multi-family units. The Future Land Use and Character Plan Map recommends mixed use (MU) at the intersection of Dickinson Avenue Extension and Greenville Boulevard, transitioning to office/institutional (OI) then to traditional neighborhood, medium-high density (TNMH). The requested zoning district is considered part of the traditional neighborhood, medium-high density (TNMH) character. In staff's opinion, the request is in compliance with Horizons 2026: Greenville's Community Plan and the Future Land Use and Character Plan Map.

Chairman King opened the public hearing.

Ken Malpass, Malpass and Associates, representative for the applicant, spoke in favor of the request. Ingress/egress will be on Dickinson Avenue and possible lineup with the Brook Hollow Duplex entrance and will connect to Manning Forest Townhomes eventually.

Mr. Maxwell asked if there will be a stoplight at the entrance.

Mr. Malpass stated that a stoplight most likely would not be installed.

No one spoke in opposition.

Chairman King closed the public hearing and opened for board discussion.

Motion made by Mr. Overton, seconded by Mr. Collins, to recommend approval of the proposed amendment to advise that it is consistent with the Comprehensive Plan and other applicable plans and to adopt the staff report which addresses plan consistency and other matters. Motion passed unanimously.

EXISTING ZONING	
RA20 (RESIDENTIAL-AGRICULTURAL) - PERMITTED USES	
(1) General	
	a. Accessory use or building
	c. On-premise signs per Article N
(2) Residential	
	a. Single-family dwelling
	b(1). Master Plan Community per Article J
	f. Residential cluster development per Article M
	k. Family care homes (see also 9-4-103)
	q. Room renting
(3) Home Occupations - None	
(4) Governmental	
	b. City of Greenville municipal government building or use (see also section 9-4-103)
(5) Agricultural/Mining	
	a. Farming; agricultural, horticulture, forestry (see also section 9-4-103)
	c. Wayside market for farm products produced on-site
	e. Kennel (see also section 9-4-103)
	f. Stable; horse only (see also section 9-4-103)
	g. Stable; per definition (see also section 9-4-103)
	h. Animal boarding not otherwise listed; outside facility, as an accessory or principal use
	i. Beekeeping; minor use (see also section 9-4-103)
(6) Recreational/Entertainment	
	f. Public park or recreational facility
	g. Private noncommercial park or recreational facility
(7) Office/Financial/Medical - None	
(8) Services	
	o. Church or place of worship (see also section 9-4-103)
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction	
	c. Construction office; temporary, including modular office (see also section 9-4-103)
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
RA20 (RESIDENTIAL-AGRICULTURAL) - SPECIAL USES	
(1) General - None	
(2) Residential	
	b. Two-family attached dwelling (duplex)
	g. Mobile home (see also section 9-4-103)
	n. Retirement center or home
	o. Nursing, convalescent or maternity home; major care facility
	o(1). Nursing, convalescent or maternity home; minor care facility

(3) Home Occupations	
a.	Home occupation; not otherwise listed
b.	Home occupation; barber and beauty shop
c.	Home occupation; manicure, pedicure or facial salon
(4) Governmental	
a.	Public utility building or use
(5) Agricultural/Mining	
b.	Greenhouse or plant nursery; including accessory sales
m.	Beekeeping; major use
n.	Solar energy facility
(6) Recreational/Entertainment	
a.	Golf course; 18-hole regulation length (see also section 9-4-103)
a(1).	Golf course; 9-hole regulation length (see also section 9-4-103)
c(1).	Tennis club; indoor and outdoor facilities
(7) Office/Financial/Medical - None	
(8) Services	
a.	Child day care facilities
b.	Adult day care facilities
d.	Cemetery
g.	School; junior and senior high (see also section 9-4-103)
h.	School; elementary (see also section 9-4-103)
i.	School; nursery and kindergarten (see also section 9-4-103)
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction - None	
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
CG (GENERAL COMMERCIAL) - PERMITTED USES	
(1) General	
a.	Accessory use or building
b.	Internal service facilities
c.	On-premise signs per Article N
e.	Temporary uses; of listed district uses
f.	Retail sales; incidental
g.	Incidental assembly of products sold at retail or wholesale as an accessory to principal uses
(2) Residential - None	
(3) Home Occupations - None	
(4) Governmental	
b.	City of Greenville municipal government building or use (see also section 9-4-103)
c.	County or state government building or use not otherwise listed; excluding outside storage and major or minor repair
d.	Federal government building or use

	g. Liquor store, state ABC
(5) Agricultural/Mining	
	a. Farming; agricultural, horticulture, forestry (see also section 9-4-103)
	l. Beekeeping; minor use (see also section 9-4-103)
(6) Recreational/Entertainment	
	f. Public park or recreational facility
	h. Commercial recreation; indoor only, not otherwise listed
	j. Bowling alley
	m(1). Dining and entertainment establishment (see also section 9-4-103)
	n. Theater; movie or drama, indoor only
	q. Circus, carnival, or fair, temporary only (see also section 9-4-103)
	s. Athletic club; indoor only
(7) Office/Financial/Medical	
	a. Office; professional and business, not otherwise listed
	b. Operation/processing center
	d. Bank, savings and loans or other savings or investment institutions
	e. Medical, dental, ophthalmology or similar clinic, not otherwise listed
	g. Catalogue processing center
(8) Services	
	c. Funeral home
	e. Barber or beauty salon
	f. Manicure, pedicure or facial salon
	k. Business or trade school
	o. Church or place of worship (see also section 9-4-103)
	q. Museum
	r. Art gallery
	s. Hotel, motel bed and breakfast inn; limited stay lodging (see also residential quarters for resident manager, supervisor or caretaker and section 9-4-103)
	u. Art studio including art and supply sales
	v. Photography studio including photo and supply sales
	y(1) TV and/or radio broadcast facilities, including receiving and transmission equipment and towers not exceeding 200 feet in height or cellular telephone and wireless communication towers not exceeding 200 feet in height (see also section 9-4-103)
	z. Printing or publishing service including graphic art, maps, newspapers, magazines and books
	aa. Catering service including food preparation (see also restaurant; conventional and fast food)
	hh. Exercise and weight loss studio; indoor only
	kk. Launderette; household users
	ll. Dry cleaners; household users
	oo. Clothes alteration or shoe repair shop
	pp. Automobile wash
(9) Repair	
	g. Jewelry, watch, eyewear or other personal item repair
(10) Retail Trade	

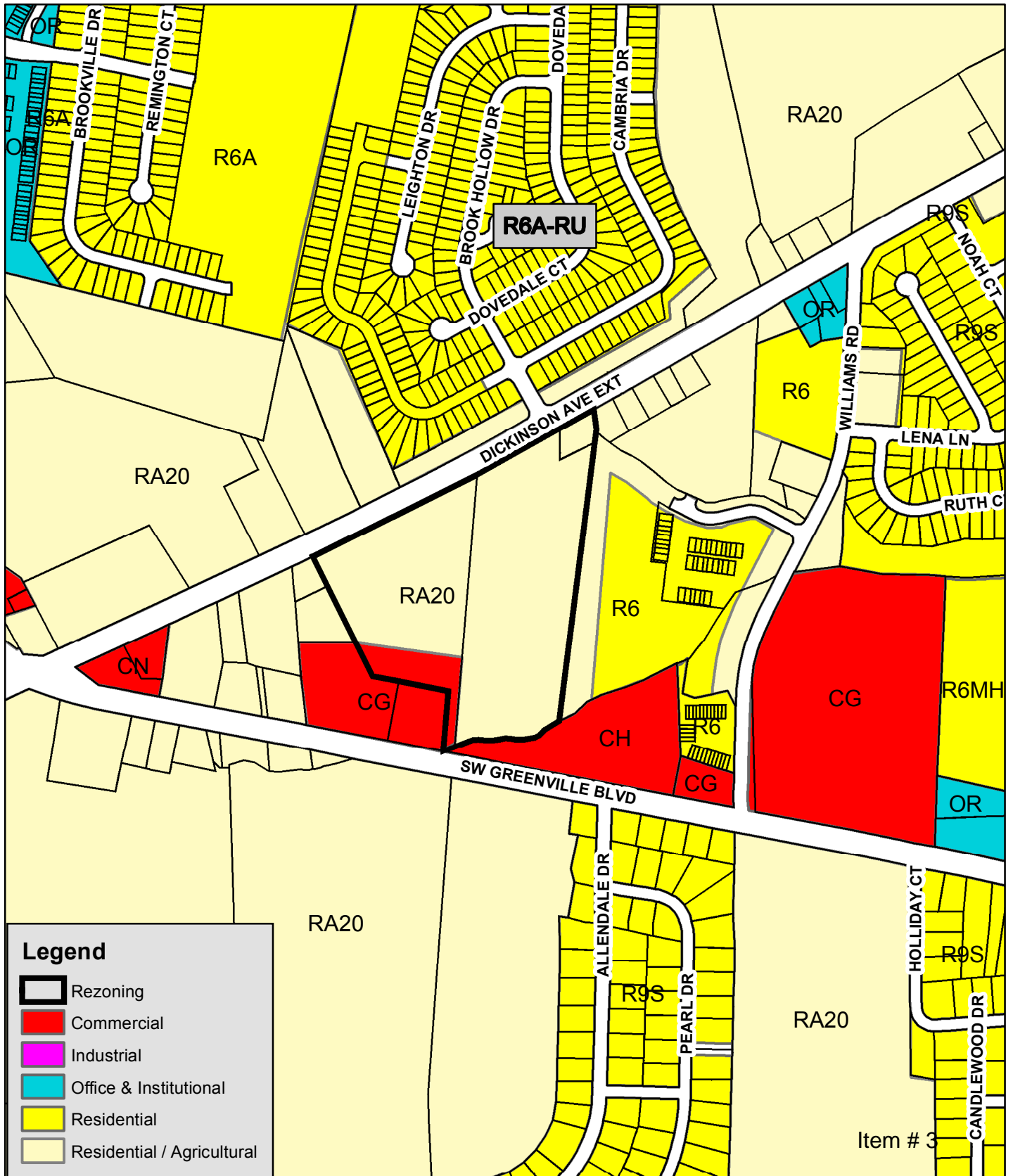
a.	Miscellaneous retail sales; non-durable goods, not otherwise listed
d.	Pharmacy
e.	Convenience store (see also gasoline sales)
f.	Office and school supply, equipment sales
g.	Fish market; excluding processing or packing
h.	Restaurant; conventional
i.	Restaurant; fast food (see also section 9-4-103)
k.	Medical supply sales and rental of medically-related products including uniforms and related accessories
l.	Electronic; stereo, radio, computer, TV and the like, sales and accessory repair
m.	Appliance; household use, sales and accessory repair, excluding outside storage
p.	Furniture and home furnishing sales not otherwise listed
q.	Floor covering, carpet and wall covering sales
r.	Antique sales, excluding vehicles
s.	Book or card store, news stand
t.	Hobby or craft shop
u.	Pet shop (see also animal boarding; outside facility)
v.	Video or music store; records, tape, CD and the like sales
w.	Florist
x.	Sporting goods sales and rental shop
y.	Auto part sales (see also major and minor repair)
aa.	Pawnbroker
bb.	Lawn and garden supply and household implement sales and accessory service
ee.	Christmas tree sales lot; temporary only (see also section 9-4-103)
(11) Wholesale/Rental/Vehicle-Mobile Home Trade	
b.	Rental of home furniture, appliances or electronics and medically-related products (see also division (10k.)
c.	Rental of clothes and accessories; formal wear, and the like
(12) Construction	
c.	Construction office; temporary, including modular office (see also section 9-4-103)
e.	Building supply; lumber and materials sales, plumbing and/or electrical supply excluding outdoor sales
f.	Hardware store
(13) Transportation	
c.	Taxi or limousine service
h.	Parking lot or structure; principal use
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
CG (GENERAL COMMERCIAL) - SPECIAL USES	
(1) General - None	
(2) Residential	
i.	Residential quarters for resident manager, supervisor or caretaker; excluding mobile home
(3) Home Occupations - None	
(4) Governmental	
a.	Public utility building or use

(5) Agricultural/Mining - None	
(6) Recreational/Entertainment	
d.	Game center
l.	Billiard parlor or pool hall
m.	Public or private club
t.	Athletic club; indoor and outdoor facilities
u.	Internet sweepstakes business (see also section 9-4-103)
(7) Office/Financial/Medical	
c.	Office; customer service, not otherwise listed, including accessory service delivery vehicle parking and indoor storage
f.	Veterinary clinic or animal hospital (see also animal boarding; outside facility, kennel and stable)
(8) Services	
a.	Child day care facilities
b.	Adult day care facilities
l.	Convention center; private
(9) Repair	
a.	Major repair; as an accessory or principal use
b.	Minor repair; as an accessory or principal use
(10) Retail Trade	
b.	Gasoline or automotive fuel sales; accessory or principal use, retail
c.	Wine shop; including on-premise consumption (see also section 9-4-103)
j.	Restaurant and/or dining and entertainment establishment; regulated outdoor activities
n.	Appliance; commercial use, sales and accessory repair; excluding outside storage
ff.	Tobacco shop (Class 1) (see also section 9-4-103)
gg.	Tobacco shop (Class 2) (see also section 9-4-103)
hh.	Hookah café (see also section 9-4-103)
(11) Wholesale/Rental/Vehicle-Mobile Home Trade	
d.	Rental of automobiles, noncommercial trucks or trailers, recreational vehicles, motorcycles and boats
f.	Automobile, truck, recreational vehicle, motorcycle and boat sales and service (see also major and minor repair)
(12) Construction - None	
(13) Transportation - None	
(14) Manufacturing/Warehousing	
k.	Mini-storage warehouse; household excluding outside storage
(15) Other Activities (not otherwise listed - all categories)	
a.	Other activities; personal services not otherwise listed
b.	Other activities; professional services not otherwise listed
c.	Other activities; commercial services not otherwise listed
d.	Other activities; retail sales not otherwise listed
R6 (RESIDENTIAL) - PERMITTED USES	
(1) General	
a.	Accessory use or building
c.	On-premise signs per Article N

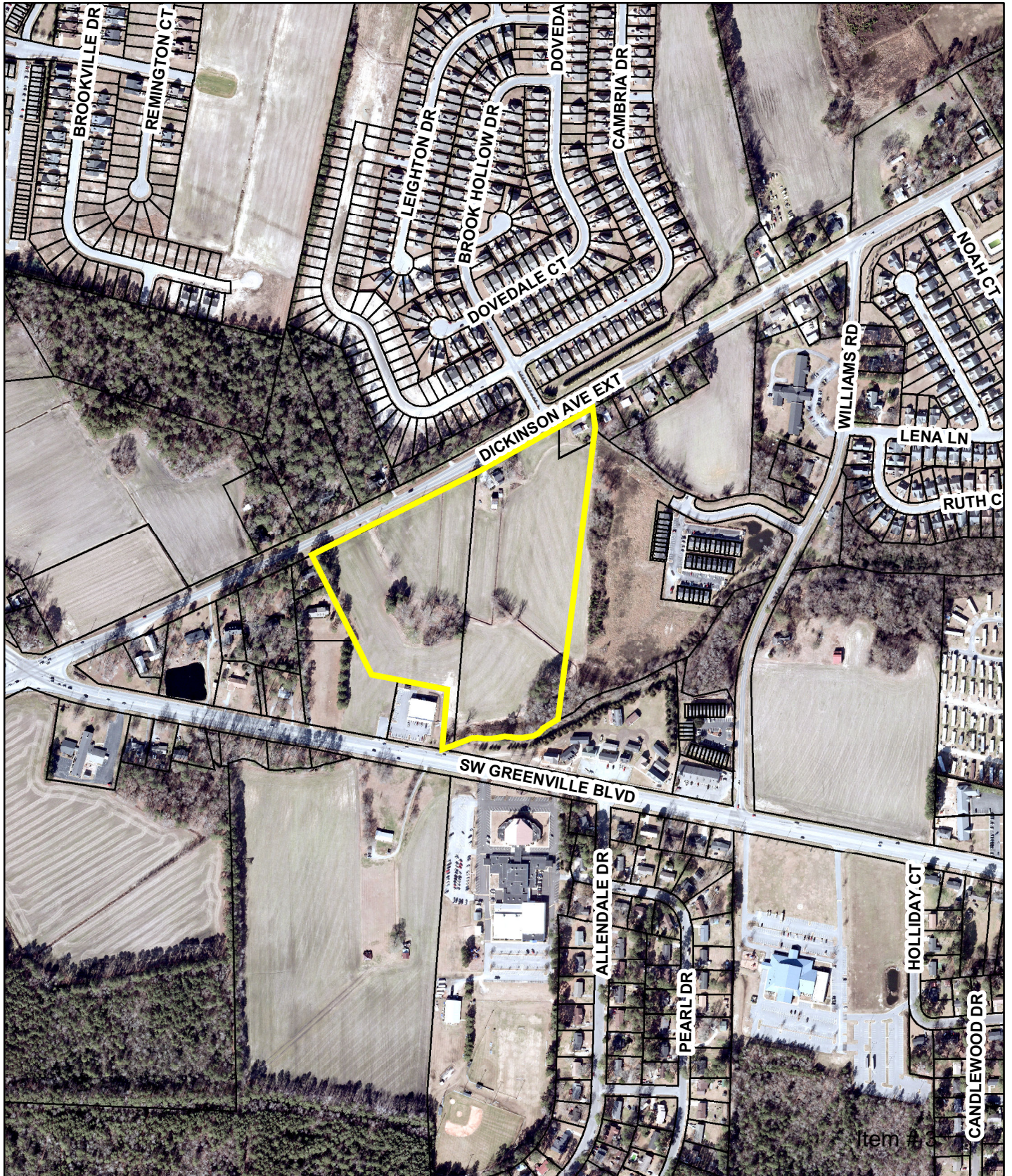
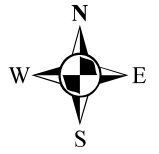
(2) Residential	
a.	Single-family dwelling
b.	Two-family attached dwelling (duplex)
b(1).	Master Plan Community per Article J
c.	Multi-family development per Article I
f.	Residential cluster development per Article M
k.	Family care homes (see also 9-4-103)
q.	Room renting
(3) Home Occupations - None	
(4) Governmental	
b.	City of Greenville municipal government building or use (see also section 9-4-103)
(5) Agricultural/Mining	
a.	Farming; agricultural, horticulture, forestry (see also section 9-4-103)
l.	Beekeeping; minor use (see also section 9-4-103)
(6) Recreational/Entertainment	
f.	Public park or recreational facility
g.	Private noncommercial park or recreational facility
(7) Office/Financial/Medical - None	
(8) Services	
o.	Church or place of worship (see also section 9-4-103)
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction	
c.	Construction office; temporary, including modular office (see also section 9-4-103)
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
R6 (RESIDENTIAL) - SPECIAL USES	
(1) General - None	
(2) Residential	
d.	Land use intensity multi-family (LUI) development rating 50 per Article K
e.	Land use intensity multi-family (LUI) development rating 67 per Article K
l.	Group care facility
n.	Retirement center or home
o(1).	Nursing, convalescent or maternity home; minor care facility
p.	Board or rooming house
r.	Fraternity or sorority house
(3) Home Occupations	
a.	Home occupation; not otherwise listed
b.	Home occupation; barber and beauty shop
c.	Home occupation; manicure, pedicure or facial salon
(4) Governmental	
a.	Public utility building or use

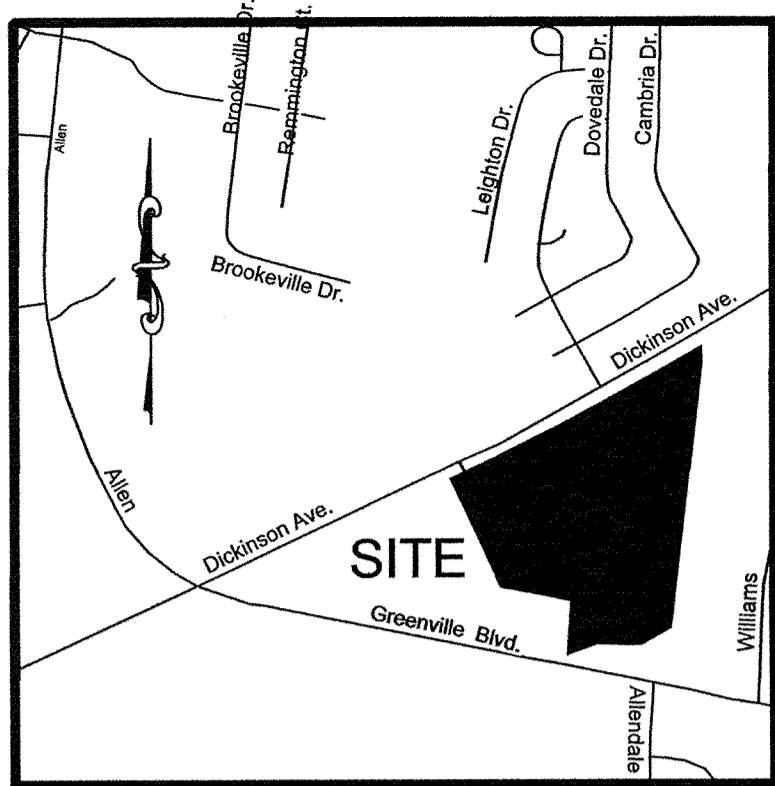
(5) Agricultural/Mining - None	
(6) Recreational/Entertainment	
a.	Golf course; 18-hole regulation length (see also section 9-4-103)
a(1).	Golf course; 9-hole regulation length (see also section 9-4-103)
c(1).	Tennis club; indoor and outdoor facilities
(7) Office/Financial/Medical - None	
(8) Services	
a.	Child day care facilities
b.	Adult day care facilities
d.	Cemetery
g.	School; junior and senior high (see also section 9-4-103)
h.	School; elementary (see also section 9-4-103)
i.	School; nursery and kindergarten (see also section 9-4-103)
m.	Multi-purpose center
t.	Guest house for a college or other institution of higher learning
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction - None	
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	

Amanda M. Garris and Karl B. Manning et al
From: RA20 and CG
To: R6
December 5, 2017

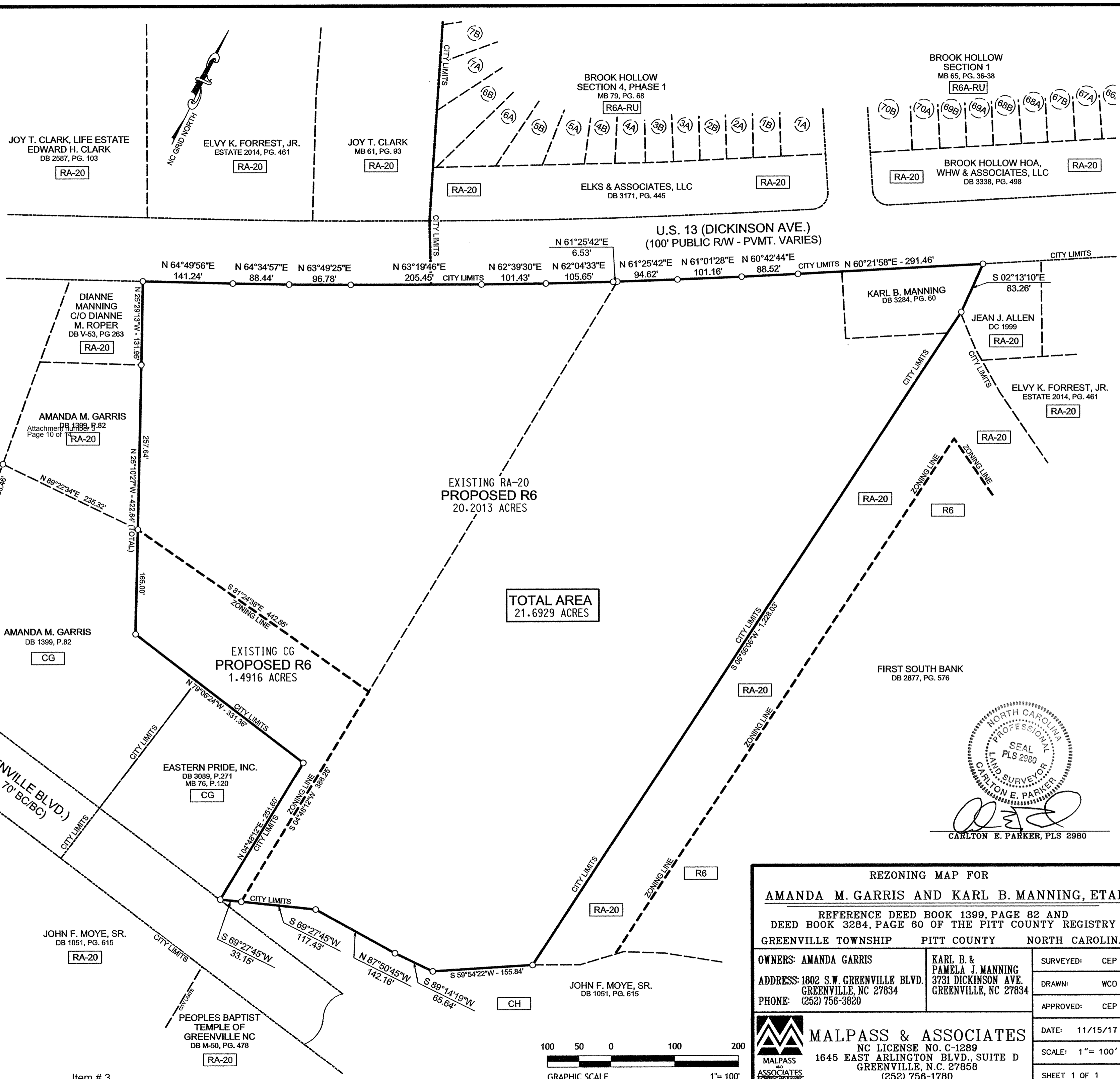


Amanda M. Garris and Karl B. Manning et al
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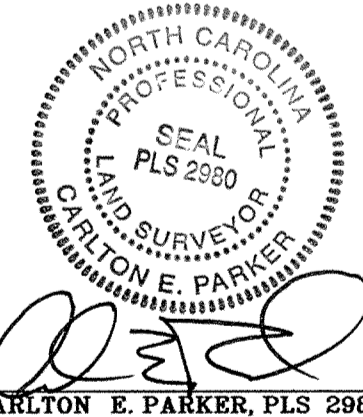




VICINITY MAP
1" = 1000'



TOTAL AREA
21.6929 ACRES



BROOK HOLLOW HOMEOWNERS LOTS 1A-8A & 68A-70B					
Parcel Number	Lot Number	Owner Name	Deed Book	Deed Page	Map Book
70318	1A	GAMA OMA	2324	1	65-36
71971	1B	BLOUNT CURTIS LEE JR	2698	146	65-36
82698	2A	MOORE THOMAS M	3404	180	79-68
82699	2B	STEPHENSON THOMAS	3399	9	79-68
82700	3A	SHRINE LAKE LLC	3567	370	79-68
82701	3B	DEAVER AUGUSTINE	3444	511	79-68
82702	4A	DAVIS TODD A	3506	466	79-68
82703	4B	DAVIS JILL ANN	3482	107	79-68
82704	5A	JAMES STEPHEN PHILLIP	3511	262	79-68
82705	5B	KOUROUPAS STEPHEN J	3491	442	79-68
82706	6A	WALKER LIA R	3499	533	79-68
82707	6B	BELL KARI ANN	3491	420	79-68
82708	7A	BOSLEY JACOB R	3489	21	79-68
82709	7B	WEBER MARK WILLIAM	3490	15	79-68
82710	8A	DATLA HIMABINDU	3543	767	79-68
72026	68A	HARRY LOIS K	2290	516	65-36
72027	68B	HARRISON HERMAN J	3208	238	65-36
72028	69A	RANSOM SEAN	3585	343	65-36
72029	69B	BUTTS RANDAL C	2382	185	65-36
72030	70A	WHITLEY ROBERT LEE JR	2314	569	65-36
72031	70B	MORTON CLARENCE	2307	42	65-36

Item # 3

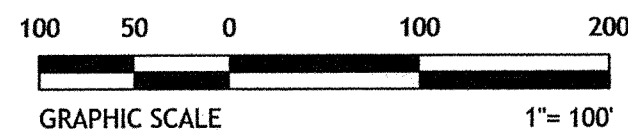
REZONING MAP FOR
AMANDA M. GARRIS AND KARL B. MANNING, ETAL
REFERENCE DEED BOOK 1399, PAGE 82 AND
DEED BOOK 3284, PAGE 60 OF THE PITT COUNTY REGISTRY
GREENVILLE TOWNSHIP PITT COUNTY NORTH CAROLINA

OWNERS: AMANDA GARRIS
ADDRESS: 1802 S.W. GREENVILLE BLVD.
GREENVILLE, NC 27834
PHONE: (252) 756-3820

KARL B. & PAMELA J. MANNING
3731 DICKINSON AVE.
GREENVILLE, NC 27834

SURVEYED: CEP
DRAWN: WCO
APPROVED: CEP
DATE: 11/15/17
SCALE: 1" = 100'
SHEET 1 OF 1

MALPASS & ASSOCIATES
NC LICENSE NO. C-1289
1645 EAST ARLINGTON BLVD., SUITE D
GREENVILLE, N.C. 27858
(252) 756-1780



Case No: 17-19

Applicant: Amanda M. Garris and Karl B. Manning, et al

Property Information

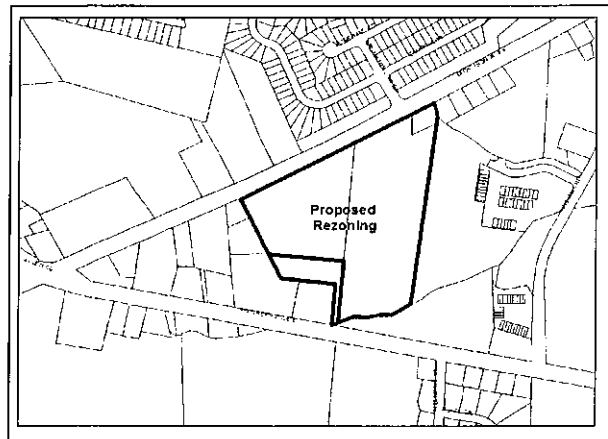
Current Zoning: RA20 (Residential-Agricultural) and CG (General Commerical)

Proposed Zoning: R6 (Residential [High Density Multi-Family])

Current Acreage: 21.6929 Acres

Location: Dickinson Avenue Ext, east of Greenville Blvd

Points of Access: Dickinson Avenue



Location Map

Transportation Background Information

1.) Dickinson Avenue Ext- State maintained

	<u>Existing Street Section</u>	<u>Ultimate Thoroughfare Street Section</u>
Description/cross section	2-lane, paved shoulders	4 lane divided
Right of way width (ft)	100	no change
Speed Limit (mph)	55	no change
Current ADT:	8,568 (*)	
Design ADT:	15,800 vehicles/day (**)	
Controlled Access	No	
Thoroughfare Plan Status:	Major Thoroughfare	

Other Information: There are no sidewalks along Dickinson Avenue Ext that service this property.

Notes: (*) 2016 NCDOT count adjusted for a 2% annual growth rate
(**) Traffic volume based an operating Level of Service D for existing geometric conditions
ADT – Average Daily Traffic volume

Transportation Improvement Program Status: No planned improvements.

Trips generated by proposed use/change

Current Zoning: 718 -vehicle trips/day (*) **Proposed Zoning: 1,929** -vehicle trips/day (*)

Estimated Net Change: increase of 1211 vehicle trips/day (assumes full-build out)

(* - These volumes are estimated and based on an average of the possible uses permitted by the current and proposed zoning.)

Impact on Existing Roads

The overall estimated trips presented above are distributed based on current traffic patterns. The estimated ADTs on Dickinson Avenue Ext are as follows:

1.) Dickinson Avenue Ext , West of Site (40%): “No build” ADT of 8,568

Estimated ADT with Proposed Zoning (full build) –	9,340
Estimated ADT with Current Zoning (full build) –	<u>8,855</u>
Net ADT change =	485 (5% increase)

2.) Dickinson Avenue Ext , east of Site (60%): "No build" ADT of 8,568

Estimated ADT with Proposed Zoning (full build) – 9,725

Estimated ADT with Current Zoning (full build) – 8,999

Net ADT change = 726 (8% increase)

Staff Findings/Recommendations

Based on possible uses permitted by the requested rezoning, the proposed rezoning classification could generate 1929 trips to and from the site on Dickinson Avenue Ext, which is a net increase of 1211 additional trips per day.

During the review process, measures to mitigate the traffic will be determined. A traffic assessment may be required.

BUFFERYARD SETBACK AND VEGETATION SCREENING CHART

For Illustrative Purposes Only

Bufferyard Requirements: Match proposed land use with adjacent permitted land use or adjacent vacant zone/nonconforming use to determine applicable bufferyard.

PROPOSED LAND USE CLASS (#)	ADJACENT PERMITTED LAND USE CLASS (#)					ADJACENT VACANT ZONE OR NONCONFORMING USE		PUBLIC/PRIVATE STREETS OR R.R.
	Single-Family Residential (1)	Multi-Family Residential (2)	Office/Institutional, light Commercial, Service (3)	Heavy Commercial, Light Industry (4)	Heavy Industrial (5)	Residential (1) - (2)	Non-Residential (3) - (5)	
Multi-Family Development (2)	C	B	B	B	B	C	B	A
Office/Institutional, Light Commercial, Service (3)	D	D	B	B	B	D	B	A
Heavy Commercial, Light Industry (4)	E	E	B	B	B	E	B	A
Heavy Industrial (5)	F	F	B	B	B	F	B	A

Bufferyard A (street yard)		
Lot Size	Width	For every 100 linear feet
Less than 25,000 sq.ft.	4'	2 large street trees
25,000 to 175,000 sq.ft.	6'	2 large street trees
Over 175,000 sq.ft.	10'	2 large street trees

Street trees may count toward the minimum acreage.

Bufferyard B (no screen required)	
Lot Size	Width
Less than 25,000 sq.ft.	4'
25,000 to 175,000 sq.ft.	6'
Over 175,000 sq.ft.	10'

Bufferyard C (screen required)	
Width	For every 100 linear feet
10'	3 large evergreen trees 4 small evergreens 16 evergreen shrubs

Where a fence or evergreen hedge (additional materials) is provided, the bufferyard width may be reduced to eight (8) feet.

Bufferyard D (screen required)	
Width	For every 100 linear feet
20'	4 large evergreen trees 6 small evergreens 16 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Bufferyard E (screen required)	
Width	For every 100 linear feet
30'	6 large evergreen trees 8 small evergreens 26 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Bufferyard F (screen required)	
Width	For every 100 linear feet
50'	8 large evergreen trees 10 small evergreens 36 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Parking Area: Thirty (30) inch high screen required for all parking areas located within fifty (50) feet of a street right-of-way.

RESIDENTIAL DENSITY CHART			
Density Level	Future Land Use and Character Type	Applicable Zoning District(s)	Units per Acre***
High	Uptown Edge (UE)	CDF	17 units per acre
	Mixed Use, High Intensity (MUHI)	OR	17 units per acre
		R6	17 units per acre
	Residential, High Density (HDR)	R6	17 units per acre
		R6MH	17 units per acre
Medical-Transition (MT)	MR	17 units per acre	
High to Medium	Mixed Use (MU)	OR	17 units per acre
		R6	17 units per acre
		R6A	9 units per acre
	Uptown Neighborhood (UN)	R6S	7 units per acre
	Traditional Neighborhood, Medium-High Density (TNMH)	R6	17 units per acre
		R6A	9 units per acre
		R6S	7 units per acre
Medium to Low	Traditional Neighborhood, Low-Medium Density (TNLM)	R9	6 units per acre
		R9S	5 units per acre
		R15S	3 units per acre
	Residential, Low-Medium Density (LMHR)	R9S	5 units per acre
		R15S	3 units per acre
		RA20	4 units per acre
		MRS	4 units per acre

*** Maximim allowable density in the respective zoning district.



City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Ordinance requested by James F. Hopf and Amy A. Wells, Co-Trustees of the Trust Created Under the Last Will and Testament of Philip E. Carroll, to rezone 1.0025 acres located along the southern right-of-way of Pactolus Highway and 850+/- feet east of Mumford Road from RA20 (Residential-Agricultural) to OR (Office-Residential [High Density Multi-family])

Explanation: **Abstract:** The City has received a request from James F. Hopf and Amy A. Wells, Co-Trustees of the Trust Created Under the Last Will and Testament of Philip E. Carroll, to rezone 1.0025 acres located along the southern right-of-way of Pactolus Highway and 850+/- feet east of Mumford Road from RA20 (Residential-Agricultural) to OR (Office-Residential [High Density Multi-family]).

Required Notices:

Planning and Zoning meeting notice (property owner and adjoining property owner letter) mailed on December 5, 2017.
On-site sign(s) posted on December 5, 2017.
City Council public hearing notice (property owner and adjoining property owner letter) mailed on December 27, 2017.
Public hearing legal advertisement published on January 1 and January 8, 2018.

Comprehensive Plan:

The Future Land Use and Character Map recommends office/institutional (OI) along the southern right-of-way of Pactolus Highway, west of Cedar Drive, transitioning to potential conservation/open space (PCOS) farther west and to the south.
The Future Land Use and Character Map recommends potential conservation/open space (PCOS) along the Tar River. The map is not meant to be dimensionally specific and may not correspond precisely with conditions on the ground. When considering rezoning requests or other development proposals, some areas classified as conservation/open space may be determined not to contain anticipated

development limitations. In such cases, the future preferred land use should be based on adjacent Land Use Plan designations, contextual considerations, and the general policies of the comprehensive plan.

Office/Institutional:

These areas serve as a transition between more intense commercial areas and surrounding neighborhoods. The form of future development should take a more walkable pattern with shorter blocks, buildings near streets, shared parking, and connections to surrounding development.

Intent:

- Provide connectivity to nearby uses (paths, streets)
- Locate new buildings near street on at least one side and accommodate parking to the side or rear of buildings; cluster buildings to consolidate and share surface parking
- Improve/provide public realm features such as signs, sidewalks, landscaping
- Reduce access-points into development for pedestrian and vehicular safety

Primary Uses:

Office

Institutional/Civic

Thoroughfare/Traffic Report Summary (PWD - Engineering Division):

Based on the analysis comparing the existing zoning (38 trips) and the requested rezoning, the proposed rezoning classification could generate approximately 14 trips to and from the site on Pactolus Highway, which is a net decrease of 24 less trips per day. Since the traffic analysis for the requested rezoning indicates that the proposal would generate less traffic than the existing zoning, a traffic volume report was not generated.

During the review process, measures to mitigate the traffic will be determined.

History/Background:

In 1969, the property was zoned to it's current zoning.

Present Land Use:

Vacant commercial building

Water/Sewer:

Water is located in the right-of-way of Pactolus Highway. Sanitary sewer is not available.

Historic Sites:

There are no known effects on historic sites.

Environmental Conditions/Constraints:

The subject property is impacted by the 100-year floodplain associated with the Tar River.

Surrounding Land Uses and Zoning:

North: RA20 - Two (2) mobile home residences
South: RA20 - Farmland (under common ownership of the applicant)
East: RA20 - One (1) single-family residence
West: RA20 - Farmland (under common ownership of the applicant)

Density Estimates:

Under the current zoning, the site could accommodate no more than four (4) single-family lots.

Under the proposed zoning, staff would anticipate 1,300 square feet of professional office space.

The anticipated build-out time is within one (1) year.

Fiscal Note:

No cost to the City.

Recommendation:

In staff's opinion, the request is in compliance with Horizons 2026: Greenville's Community Plan and the Future Land Use and Character Map.

"In compliance with the comprehensive plan" should be construed as meaning the requested zoning is (i) either specifically recommended in the text of the Horizons Plan (or addendum to the plan) or is predominantly or completely surrounded by the same or compatible and desirable zoning and (ii) promotes the desired urban form. The requested district is considered desirable and in the public interest, and staff recommends approval of the requested rezoning.

The Planning and Zoning Commission voted unanimously to approve the request at its December 19, 2017 meeting.

If the City Council determines to approve the zoning map amendment, a motion to adopt the attached zoning map amendment ordinance will accomplish this. The ordinance includes the statutorily required statement describing whether the action taken is consistent with the comprehensive plan and explaining why Council considers the action taken to be reasonable and in the public interest.

If City Council determines to deny the zoning map amendment, in order to comply

with this statutory requirement, it is recommended that the motion be as follows:

Motion to deny the request to rezone and to make a finding and determination that the rezoning request is inconsistent with the adopted comprehensive plan including, but not limited to, Policy 1.1.1 guide development with the Future Land Use and Character Map and Policy 1.1.6 guide development using the Tiered Growth Approach, and further that the denial of the rezoning request is reasonable and in the public interest due to the rezoning request does not promote, in addition to the furtherance of other goals and objectives, the safety and general welfare of the community because the requested zoning is not consistent with the recommended Future Land Use and Character designation.

Note: In addition to the other criteria, the Planning and Zoning Commission and City Council shall consider the entire range of permitted and special uses for the existing and proposed zoning districts as listed under Title 9, Chapter 4, Article D of the Greenville City Code.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

- [Attachments](#)
 - [Ordinance - Hopf and Wells 1065828](#)
 - [Minutes - Hopf and Wells 1065821](#)
-

ORDINANCE NO. 18-
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GREENVILLE
REZONING TERRITORY LOCATED WITHIN THE PLANNING AND ZONING
JURISDICTION OF THE CITY OF GREENVILLE, NORTH CAROLINA

WHEREAS, the City Council of the City of Greenville, North Carolina, in accordance with Article 19, Chapter 160A, of the General Statutes of North Carolina, caused a public notice to be given and published once a week for two successive weeks in The Daily Reflector setting forth that the City Council would, on the 11th day of January, 2018, at 6:00 p.m., in the Council Chambers of City Hall in the City of Greenville, NC, conduct a public hearing on the adoption of an ordinance rezoning the following described territory;

WHEREAS, the City Council has been informed of and has considered all of the permitted and special uses of the districts under consideration;

WHEREAS, in accordance with the provisions of North Carolina General Statute 160A-383, the City Council does hereby find and determine that the adoption of the ordinance zoning the following described property is consistent with the adopted comprehensive plan and other officially adopted plans that are applicable and that the adoption of the ordinance zoning the following described property is reasonable and in the public interest due to its consistency with the comprehensive plan and other officially adopted plans that are applicable and, as a result, its furtherance of the goals and objectives of the comprehensive plan and other officially adopted plans that are applicable;

WHEREAS, as a further description as to why the action taken is consistent with the comprehensive plan and other officially adopted plans that are applicable in compliance with the provisions of North Carolina General Statute 160A-383, the City Council of the City of Greenville does hereby find and determine that the adoption of this ordinance is consistent with provisions of the comprehensive plan including, but not limited to, Policy 1.1.1 guide development with the Future Land Use and Character Map and Policy 1.1.6 guide development using the Tiered Growth Approach; and

WHEREAS, as a further explanation as to why the action taken is reasonable and in the public interest in compliance with the provisions of North Carolina General Statute 160A-383, the City Council of the City of Greenville does hereby find and determine that the adoption of this ordinance will, in addition to the furtherance of other goals and objectives, promote the safety and general welfare of the community because the requested zoning is consistent with the recommended Future Land Use and Character designation and is located in a Preferred Growth Area;

THE CITY COUNCIL OF THE CITY OF GREENVILLE, NORTH CAROLINA, DOES
HEREBY ORDAIN:

Section 1. That the following described territory is rezoned from RA20 (Residential-Agricultural) to OR (Office-Residential).

TO WIT: James F. Hopf and Amy A. Wells, Co-Trustees of the Trust Created Under the Last Will and Testament of Philip E. Carroll

LOCATION: Located along the southern right-of-way of Pactolus Highway and 850+/- feet east of Mumford Road.

DESCRIPTION: Lying and being situate in Pactolus Township, Pitt County, North Carolina and being more particularly described as follows:

Beginning at a point in the southern right-of-way of NC Hwy 33 said point being located S 64-08-41 E – 880.82’ from the centerline intersection of NC Hwy 33 and Mumford Road, thence from said point of beginning with the southern right-of-way of NC Hwy 33 S 69-29-48 E – 53.00’, thence S 69-55-46 E – 100.60’, thence S 70-35-25 E – 120.24’ to the northwest corner of the John D. McDonald property as recorded in Deed Book 2611, Page 755, thence with the western line of the John D. McDonald property S 32-36-45 W – 173.57’ to the northern line of the Mary R. Corbett property as recorded in Estate File 89 E, Page 576, thence with the northern line of the Mary R. Corbett property N 70-50-04 W – 193.12’, thence leaving the Mary R. Corbett property along a new line N 68-32-41 W – 47.18’, thence N 21-27-23 E – 170.40’ to the point of beginning containing 1.0025 acres.

Section 2. That the Director of Community Development is directed to amend the zoning map of the City of Greenville in accordance with this ordinance.

Section 3. That all ordinances and clauses of ordinances in conflict with this ordinance are hereby repealed.

Section 4. That this ordinance shall become effective upon its adoption.

ADOPTED this 11th day of January, 2018.

P. J. Connelly, Mayor

ATTEST:

Carol L. Barwick, City Clerk

1065828

Excerpt from the DRAFT Planning & Zoning Commission Minutes (12/19/2017)

ORDINANCE REQUESTED BY JAMES F. HOPF AND AMY A. WELLS, CO-TRUSTEES OF THE TRUST CREATED UNDER THE LAST WILL AND TESTAMENT OF PHILIP E. CARROLL TO REZONE 1.0025 ACRES LOCATED ALONG THE SOUTHERN RIGHT-OF-WAY OF PACTOLUS HIGHWAY AND 850+/- FEET EAST OF MUMFORD ROAD FROM RA20 (RESIDENTIAL-AGRICULTURAL) TO OR (OFFICE-RESIDENTIAL [HIGH DENSITY MULTI-FAMILY]) - APPROVED

Mr. Gooby delineated the property. It is located north of the Tar River along Pactolus Highway. The subject property contains a vacant commercial building. This area mainly consists of residential uses and farmland. This property is impacted by the 100 and 500-floodplains associated with the Tar River. This general area was flooded by Hurricane Floyd. There are several city-owned properties in the vicinity. Under the current zoning, the site could accommodate no more than four (4) single-family lots. Under the requested zoning, staff would anticipate the current building being used as professional office space. An increase in traffic is not anticipated. The Future Land Use and Character Plan Map recommends office/institutional (OI) along Pactolus Highway west of Cedar Drive. Further the Future Land Use and Character Plan Map recommends Potential Conservation/Open Space which identifies potential environmental constraints. In staff's opinion, the request is in compliance with Horizons 2026: Greenville's Community Plan and the Future Land Use and Character Plan Map.

Chairman King opened the public hearing.

Jon Day, representative for the applicant, spoke in favor of the request. He stated the owner intends to use the existing building.

No one spoke in opposition.

Chairman King closed the public hearing and opened for board discussion.

Motion made by Mr. Wilson, seconded by Mr. Robinson, to recommend approval of the proposed amendment to advise that it is consistent with the Comprehensive Plan and other applicable plans and to adopt the staff report which addresses plan consistency and other matters. Motion passed unanimously.

EXISTING ZONING	
RA20 (RESIDENTIAL-AGRICULTURAL) - PERMITTED USES	
(1) General	
	a. Accessory use or building
	c. On-premise signs per Article N
(2) Residential	
	a. Single-family dwelling
	b(1). Master Plan Community per Article J
	f. Residential cluster development per Article M
	k. Family care homes (see also 9-4-103)
	q. Room renting
(3) Home Occupations - None	
(4) Governmental	
	b. City of Greenville municipal government building or use (see also section 9-4-103)
(5) Agricultural/Mining	
	a. Farming; agricultural, horticulture, forestry (see also section 9-4-103)
	c. Wayside market for farm products produced on-site
	e. Kennel (see also section 9-4-103)
	f. Stable; horse only (see also section 9-4-103)
	g. Stable; per definition (see also section 9-4-103)
	h. Animal boarding not otherwise listed; outside facility, as an accessory or principal use
	l. Beekeeping; minor use (see also section 9-4-103)
(6) Recreational/Entertainment	
	f. Public park or recreational facility
	g. Private noncommercial park or recreational facility
(7) Office/Financial/Medical - None	
(8) Services	
	o. Church or place of worship (see also section 9-4-103)
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction	
	c. Construction office; temporary, including modular office (see also section 9-4-103)
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
RA20 (RESIDENTIAL-AGRICULTURAL) - SPECIAL USES	
(1) General - None	
(2) Residential	
	b. Two-family attached dwelling (duplex)
	g. Mobile home (see also section 9-4-103)
	n. Retirement center or home
	o. Nursing, convalescent or maternity home; major care facility

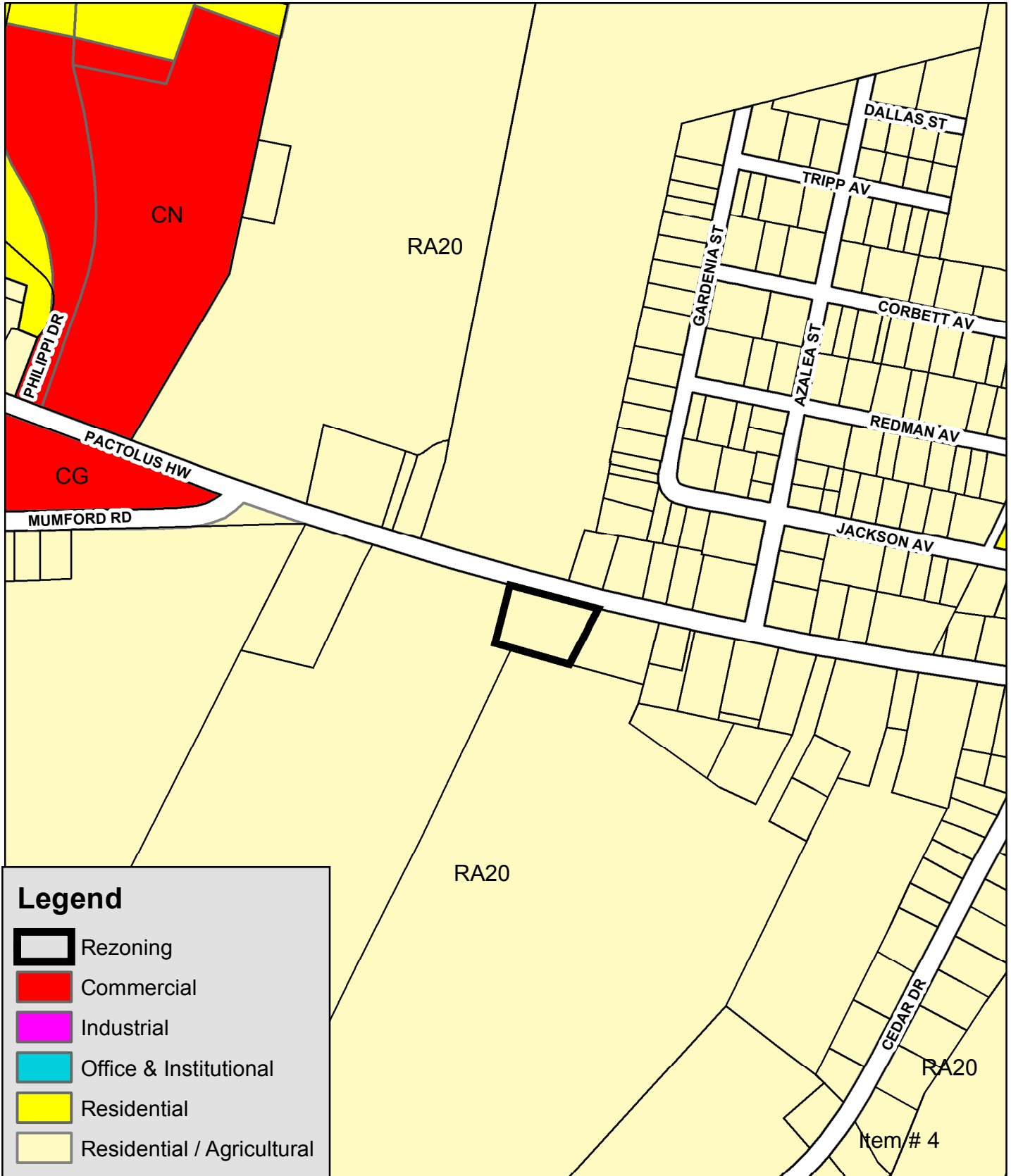
o(1).	Nursing, convalescent or maternity home; minor care facility
(3) Home Occupations	
a.	Home occupation; not otherwise listed
b.	Home occupation; barber and beauty shop
c.	Home occupation; manicure, pedicure or facial salon
(4) Governmental	
a.	Public utility building or use
(5) Agricultural/Mining	
b.	Greenhouse or plant nursery; including accessory sales
m.	Beekeeping; major use
n.	Solar energy facility
(6) Recreational/Entertainment	
a.	Golf course; 18-hole regulation length (see also section 9-4-103)
a(1).	Golf course; 9-hole regulation length (see also section 9-4-103)
c(1).	Tennis club; indoor and outdoor facilities
(7) Office/Financial/Medical - None	
(8) Services	
a.	Child day care facilities
b.	Adult day care facilities
d.	Cemetery
g.	School; junior and senior high (see also section 9-4-103)
h.	School; elementary (see also section 9-4-103)
i.	School; nursery and kindergarten (see also section 9-4-103)
(9) Repair - None	
(10) Retail Trade - None	
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction - None	
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
PROPOSED ZONING	
OR (OFFICE-RESIDENTIAL) - PERMITTED USES	
(1) General	
a.	Accessory use or building
b.	Internal service facilities
c.	On-premise signs per Article N
f.	Retail sales; incidental
(2) Residential	
b.	Two-family attached dwelling (duplex)
c.	Multi-family development per Article I
k.	Family care homes (see also 9-4-103)
n.	Retirement center or home
o.	Nursing, convalescent or maternity home; major care facility
p.	Boarding or rooming house
q.	Room renting

(3) Home Occupations - None	
(4) Governmental	
b.	City of Greenville municipal government building or use (see also section 9-4-103)
c.	County or state government building or use not otherwise listed; excluding outside storage and major or minor repair
d.	Federal government building or use
(5) Agricultural/Mining	
a.	Farming; agricultural, horticulture, forestry (see also section 9-4-103)
(6) Recreational/Entertainment	
f.	Public park or recreational facility
g.	Private noncommercial recreation; indoor only, not otherwise listed
(7) Office/Financial/Medical	
a.	Office; professional and business, not otherwise listed
b.	Operation/processing center
c.	Office; customer service, not otherwise listed, including accessory service delivery vehicle parking and indoor storage
d.	Bank, savings and loans or other savings or investment institutions
e.	Medical, dental, ophthalmology or similar clinic, not otherwise listed
(8) Services	
c.	Funeral home
e.	Barber or beauty salon
f.	Manicure, pedicure or facial salon
g.	School; junior and senior high (see also section 9-4-103)
h.	School; elementary (see also section 9-4-103)
i.	School; nursery and kindergarten (see also section 9-4-103)
j.	College and other institutions of higher learning
k.	Business or trade school
n.	Auditorium
o.	Church or place of worship (see also section 9-4-103)
p.	Library
q.	Museum
r.	Art gallery
u.	Art studio including art and supply sales
v.	Photography studio including photo and supply sales
w.	Recording studio
x.	Dance studio
y(2)	TV and/or radio broadcast facilities, including receiving and transmission equipment and towers not exceeding 120 feet in height or cellular telephone and wireless communication towers not exceeding 120 feet in height (see also section 9-4-103)
bb.	Civic organizations
cc.	Trade or business organizations
(9) Repair - None	
(10) Retail Trade	
s.	Book or card store, news stand
w.	Florist

ee.	Christmas tree sales lot; temporary only (see also section 9-4-103)
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction	
a.	Licensed contractor; general electrical, plumbing, mechanical, etc... excluding outside storage
c.	Construction office; temporary, including modular office (see also section 9-4-103)
(13) Transportation - None	
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories) - None	
OR (OFFICE-RESIDENTIAL) - SPECIAL USES	
(1) General - None	
(2) Residential	
d.	Land use intensity multi-family (LUI) development rating 50 per Article K
e.	Land use intensity multi-family (LUI) development rating 67 per Article K
i.	Residential quarters for resident manager, supervisor or caretaker; excluding mobile home
m.	Shelter for homeless or abused (see also section 9-4-103)
o(1).	Nursing, convalescent or maternity home; minor care facility
r.	Fraternity or sorority house
(3) Home Occupations - None	
(4) Governmental	
a.	Public utility building or use
(5) Agricultural/Mining - None	
(6) Recreational/Entertainment	
c(1).	Tennis club; indoor and outdoor facilities
h.	Commercial recreation; indoor only, not otherwise listed
m(1).	Dining and entertainment establishment (see also section 9-4-103)
(7) Office/Financial/Medical	
f.	Veterinary clinic or animal hospital (see also animal boarding; outside facility, kennel and stable)
(8) Services	
a.	Child day care facilities
b.	Adult day care facilities
l.	Convention center; private
s.	Hotel, motel bed and breakfast inn; limited stay lodging (see also residential quarters for resident manager, supervisor or caretaker and section 9-4-103)
ff.	Mental health, emotional or physical rehabilitation day program facility
ff(1).	Mental health, emotional or physical rehabilitation day program facility
(9) Repair- None	
(10) Retail Trade - None	
h.	Restaurant; conventional

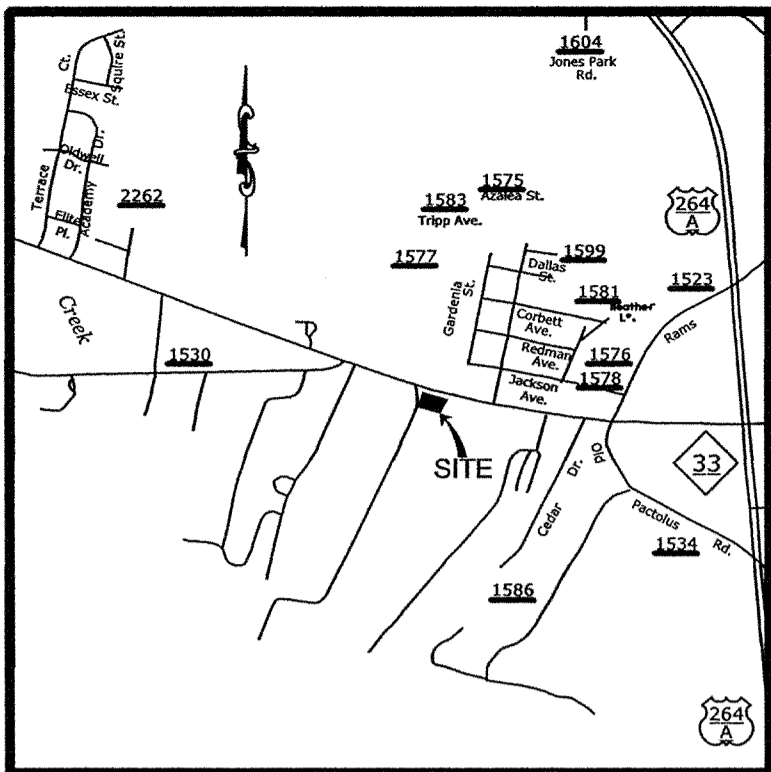
j.	Restaurant and/or dining and entertainment establishment; regulated outdoor activities
(11) Wholesale/Rental/Vehicle-Mobile Home Trade - None	
(12) Construction - None	
(13) Transportation	
h.	Parking lot or structure; principal use
(14) Manufacturing/Warehousing - None	
(15) Other Activities (not otherwise listed - all categories)	
a.	Other activities; personal services not otherwise listed
b.	Other activities; professional services not otherwise listed

James F. Hopf and Amy A. Wells, Co-Trustees
of the Trust Created Under the Last Will and
Testament of Philip E. Carroll
From: RA20
To: OR
December 5, 2017



James F. Hopf and Amy A. Wells, Co-Trustees
of the Trust Created Under the Last Will and
Testament of Philip E. Carroll
From: RA20
To: OR
December 5, 2017





VICINITY MAP
1" = 2000'

CENTERLINE OF INTERSECTION OF NC HWY 33 & MUMFORD ROAD

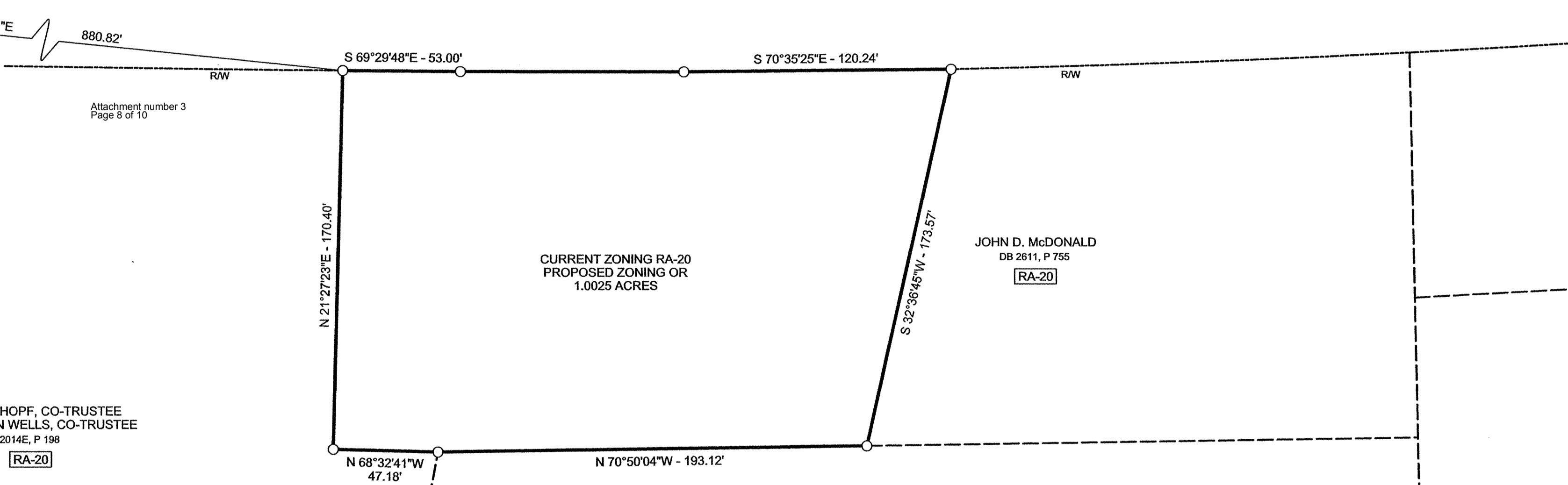
JAMES F. HOPF, CO-TRUSTEE
AMY ALSTON WELLS, CO-TRUSTEE
2014E, P 198
RA-20

LINDA K. GLISSON &
BRENDA FAY POLLARD
1992E, P.600
RA-20

S&K WAINRIGHT HOLDINGS, LLC
DB 99, P. 283
RA-20

WILLIAM R. WICHARD
D.B. 590, P. 492
RA-20

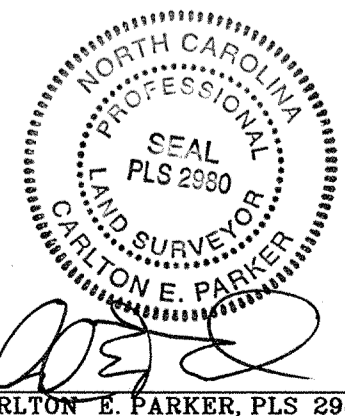
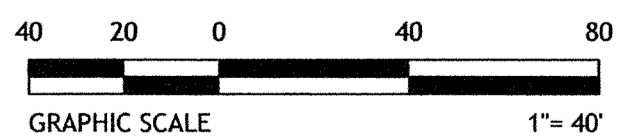
NC HIGHWAY 33
(100' R/W - 35' PAVEMENT)



CURRENT ZONING RA-20
PROPOSED ZONING OR
1.0025 ACRES

JOHN D. McDONALD
DB 2611, P 755
RA-20

MARY R. CORBETT
DB H 43, P.233
89E, P 576
RA-20



REZONING MAP FOR			
JAMES F. HOPF, CO-TRUSTEE & AMY A. WELLS, CO-TRUSTEE, ETAL			
REFERENCE ESTATE BOOK 2014, PAGE 198 AND DEED BOOK 1628, PAGE 661 OF THE PITT COUNTY REGISTRY			
GREENVILLE	PACTOLUS TOWNSHIP	PITT COUNTY	NORTH CAROLINA
OWNER:	JAMES F. HOPF, CO-TRUSTEE & AMY A. WELLS, CO-TRUSTEE, ETAL		
ADDRESS:	P. O. BOX 8188 GREENVILLE, NC 27835		
PHONE:	(252) 321-7111		
	MALPASS & ASSOCIATES (NC LICENSE NUMBER C-1289) 1645 E. ARLINGTON BLVD., SUITE D GREENVILLE, N.C. 27858 (252) 756-1780		SURVEYED: CEP
			APPROVED: CEP
	DRAWN: WCO	DATE: 11/09/17	
CHECKED: CEP	SCALE: 1" = 40'		

BUFFERYARD SETBACK AND VEGETATION SCREENING CHART

For Illustrative Purposes Only

Bufferyard Requirements: Match proposed land use with adjacent permitted land use or adjacent vacant zone/nonconforming use to determine applicable bufferyard.

PROPOSED LAND USE CLASS (#)	ADJACENT PERMITTED LAND USE CLASS (#)					ADJACENT VACANT ZONE OR NONCONFORMING USE		PUBLIC/PRIVATE STREETS OR R.R.
	Single-Family Residential (1)	Multi-Family Residential (2)	Office/Institutional, light Commercial, Service (3)	Heavy Commercial, Light Industry (4)	Heavy Industrial (5)	Residential (1) - (2)	Non-Residential (3) - (5)	
Multi-Family Development (2)	C	B	B	B	B	C	B	A
Office/Institutional, Light Commercial, Service (3)	D	D	B	B	B	D	B	A
Heavy Commercial, Light Industry (4)	E	E	B	B	B	E	B	A
Heavy Industrial (5)	F	F	B	B	B	F	B	A

Bufferyard A (street yard)		
Lot Size	Width	For every 100 linear feet
Less than 25,000 sq.ft.	4'	2 large street trees
25,000 to 175,000 sq.ft.	6'	2 large street trees
Over 175,000 sq.ft.	10'	2 large street trees

Street trees may count toward the minimum acreage.

Bufferyard B (no screen required)	
Lot Size	Width
Less than 25,000 sq.ft.	4'
25,000 to 175,000 sq.ft.	6'
Over 175,000 sq.ft.	10'

Bufferyard C (screen required)	
Width	For every 100 linear feet
10'	3 large evergreen trees 4 small evergreens 16 evergreen shrubs

Where a fence or evergreen hedge (additional materials) is provided, the bufferyard width may be reduced to eight (8) feet.

Bufferyard D (screen required)	
Width	For every 100 linear feet
20'	4 large evergreen trees 6 small evergreens 16 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Bufferyard E (screen required)	
Width	For every 100 linear feet
30'	6 large evergreen trees 8 small evergreens 26 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Bufferyard F (screen required)	
Width	For every 100 linear feet
50'	8 large evergreen trees 10 small evergreens 36 evergreen shrubs

Bufferyard width may be reduced by fifty (50%) percent if a fence, evergreen hedge (additional material) or earth berm is provided.

Parking Area: Thirty (30) inch high screen required for all parking areas located within fifty (50) feet of a street right-of-way.

RESIDENTIAL DENSITY CHART			
Density Level	Future Land Use and Character Type	Applicable Zoning District(s)	Units per Acre***
High	Uptown Edge (UE)	CDF	17 units per acre
	Mixed Use, High Intensity (MUHI)	OR	17 units per acre
		R6	17 units per acre
	Residential, High Density (HDR)	R6	17 units per acre
		R6MH	17 units per acre
Medical-Transition (MT)	MR	17 units per acre	
High to Medium	Mixed Use (MU)	OR	17 units per acre
		R6	17 units per acre
		R6A	9 units per acre
	Uptown Neighborhood (UN)	R6S	7 units per acre
	Traditional Neighborhood, Medium-High Density (TNMH)	R6	17 units per acre
		R6A	9 units per acre
		R6S	7 units per acre
Medium to Low	Traditional Neighborhood, Low-Medium Density (TNLM)	R9	6 units per acre
		R9S	5 units per acre
		R15S	3 units per acre
	Residential, Low-Medium Density (LMHR)	R9S	5 units per acre
		R15S	3 units per acre
		RA20	4 units per acre
		MRS	4 units per acre

*** Maximim allowable density in the respective zoning district.



City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Resolution approving a lease agreement with the Greenville Industrial-Eppes High School Alumni Heritage Society for a portion of the C.M. Eppes Recreation Center

Explanation: **Abstract:** For some time, the City of Greenville has leased a portion of the C.M. Eppes Recreation Center to the Greenville Industrial-Eppes High School Alumni Heritage Society. This item will extend the lease for an additional three years.

Explanation: The Greenville Industrial-Eppes High School Alumni Heritage Society has been utilizing a portion of the Eppes Recreation Center (that was part of the original high school) as the C.M. Eppes Cultural Center, and has requested that we extend their existing lease, which will expire on January 31, 2018. The relationship between the Recreation and Parks Department and Alumni Society is one of respect and cooperation, and staff continues to believe that this is an appropriate and desirable use for this space at the Eppes Recreation Center.

The Recreation and Parks Commission will review this item at their January 10, 2018 meeting, and their recommendation will be shared with Council at the January 11, 2018 meeting.

Fiscal Note: An annual lease payment of one dollar.

Recommendation: Approve the attached resolution approving a lease agreement with the Greenville Industrial-Eppes High School Alumni Heritage Society for a portion of the C.M. Eppes Recreation Center, through January 31, 2021.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

-  [Resolution - Lease Agreement for Greenville Industrial-Eppes Alumni Society 997104](#)
 -  [Lease Agreement with Greenville Industrial-Eppes High School Alumni Heritage Society 997110](#)
-

RESOLUTION NO. ____-18

RESOLUTION APPROVING LEASE AGREEMENT WITH
GREENVILLE INDUSTRIAL-EPPES HIGH SCHOOL ALUMNI HERITAGE SOCIETY

WHEREAS, North Carolina General Statute 160A-272 authorizes the City Council of the City of Greenville to approve a lease of property for a term of less than ten (10) years for any property owned by the City for such terms and upon such conditions as City Council may determine; and

WHEREAS, City Council does hereby determine that the property herein described will not be needed by the City for the three (3) year term of the lease.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greenville that it does hereby approve the Lease Agreement with the Greenville Industrial-Eppes High School Alumni Heritage Society for a portion of the C.M. Eppes Recreation Center, consisting of three rooms, for a term of three (3) years commencing on February 1, 2018 and terminating on January 31, 2021, for the annual rental sum of one dollar, and does further authorize the City Manager to execute said Lease Agreement.

This the _____ day of January, 2018.

P.J. Connelly, Mayor

ATTEST:

Carol L. Barwick, City Clerk

**NORTH CAROLINA
COUNTY OF PITT**

**LEASE
AGREEMENT**

THIS LEASE AGREEMENT, made and entered into this the ____ day of January, 2018, by and between the City of Greenville, a North Carolina municipal corporation, Party of the First Part and hereinafter referred to as LESSOR, and Greenville Industrial-Eppes High School Alumni Heritage Society, a North Carolina non-profit corporation, Party of the Second Part and hereinafter referred to as LESSEE;

Subject to the terms and conditions of this Lease Agreement, LESSOR does hereby let and lease unto the LESSEE, and LESSEE does hereby lease from the LESSOR, the following described premises located in Greenville, North Carolina:

A portion of the C.M. Eppes Recreation Center consisting of three rooms as delineated on the attached map, labeled as Exhibit A, and herein incorporated by reference.

The terms and conditions of this Lease Agreement are as follows:

1. Term.

The term of this Lease Agreement is for three (3) years, commencing on the 1st day of February, 2018, and expiring on the 31st day of January, 2021.

2. Rent.

The annual rent shall be ONE DOLLAR, and shall be paid by the first day of February of each year. Rent payments shall be delivered to the Director of Financial Services of the City of Greenville, P.O. Box 7207, Greenville, NC 27835.

3. Use of Leased Premises.

The leased premises shall be used by LESSEE as a location to display, honor, and celebrate the history associated with the original use of the Eppes Recreation Center as an educational facility and the faculty and students associated with the educational facility. LESSEE shall make no other use of the leased premises without the prior written consent of the LESSOR. LESSEE shall be responsible, at its expense, for all costs associated with conducting its activities. LESSEE shall not use the leased premises between the hours of 11 p.m. and 7 a.m.

4. Activities Report.

LESSOR and LESSEE understand and agree that the leased premises will be actively used by the LESSEE. The LESSEE shall keep a daily log of the activities conducted on the leased premises. Within ten (10) days of a written notice from the LESSOR to the LESSEE requesting a copy of the daily log and a written summary of the activities, the LESSEE shall provide the LESSOR a copy of the daily log with a written summary of the activities conducted on the leased premises since the commencement of the term of this Lease Agreement.

5. Signage.

LESSEE may install identifying signage on the exterior and hallway doors of the leased premises with the approval by the LESSOR of the size, location, and installation method.

6. Repairs and Maintenance.

LESSEE agrees to accept the leased premises in its current condition. LESSEE shall be responsible, at its expense, for all maintenance and repairs, both major and minor, to the leased premises except that the LESSOR shall be responsible for the maintenance and repair of the roof and the exterior walls of the leased premises. The LESSEE shall at its sole cost and expense, be responsible for keeping the leased premises in a good, clean, neat, attractive, pleasant, and sanitary condition at all times.

7. Alterations and Improvements.

No alterations or improvements shall be made to the leased premises without the prior written consent of the LESSOR.

8. Utilities.

LESSOR shall be responsible for providing and paying for all electricity, lighting, heating, water, air conditioning, and sewer used by LESSEE in connection with the occupancy of the leased premises. The LESSEE shall be responsible for the telephone charges and all other charges for utilities used by LESSEE in connection with the occupancy of the leased premises.

9. Insurance.

The LESSEE will at all times during the term of this LEASE, at its own cost and expense, insure and keep in effect insurance on the leased premises against claims for personal injury or property damage under a policy of general liability insurance with a combined single limit of not less than \$1,000,000 with the LESSOR named as an additional named insured, written by an insurance company or companies authorized to do business in the State of North Carolina. The LESSEE shall provide the LESSOR with a certificate of insurance evidencing said coverage.

10. Damage or Destruction by Fire or Other Casualty.

In the event that the building located on the leased premises is destroyed by fire or other casualty or act of God, then this Lease Agreement shall terminate as of the time of such destruction without action on the part of either the LESSOR or the LESSEE. In the event that the building located on the leased premises is so damaged by fire, other casualty, or act of God that more than 50% of the floor space of the building cannot reasonably be used by LESSEE in the conduct of its activities, or the building is so damaged by fire or other casualty or act of God that it cannot, in the LESSOR's opinion, be economically repaired, then either party shall have the option to terminate this Lease Agreement by the provision of written notice to the other party.

11. Assignment and Subletting.

LESSEE may not assign or transfer this Lease Agreement or sublet the leased premises or any part of the leased premises without the prior written consent of the LESSOR.

12. Indemnity.

The LESSEE agrees to indemnify and save harmless the LESSOR and its officers and employees from and against any and all claims and demands whether from injury to person, loss of life, or damage to property, occurring on or within the demised premises.

13. Surrender on Termination.

Upon the termination of this Lease Agreement for any reason, the LESSEE shall yield and deliver peaceably to the LESSOR possession of the leased premises and any alterations, additions, and improvements made by LESSEE thereto, promptly and in good condition, order, and repair, except for reasonable wear and tear and acts of God.

14. Default.

If LESSEE shall neglect to pay any annual installment of rent when due, or shall neglect to do and perform any other matter agreed to be done, and shall remain in default for a period of thirty (30) days after receiving written notice from LESSOR calling attention to the non-payment or default, LESSOR may declare this Lease Agreement terminated and take possession of the leased premises without prejudice to any other legal remedy it may have on account of such default. If LESSOR neglects to do or perform any matter agreed to be done in this Lease Agreement and shall remain in default for a period of thirty (30) days after written notice from the LESSEE calling attention to such default, the LESSEE may declare this Lease Agreement terminated without prejudice to any other legal remedy it may have on account of such default.

15. Liens.

The LESSEE agrees that it will not permit the claim of any contractor, subcontractor, mechanic, laborer, or materialmen to become and remain a lien on the leased property or upon the right, title, or interest of the LESSEE created by this Lease Agreement after the indebtedness secured by such lien shall become due unless the same is in the process of actually being contested in good faith on the part of the LESSEE and in any event the LESSEE will protect, indemnify, and save harmless the LESSOR from and in respect of any and all such claims.

16. Access.

LESSEE will be able to secure and restrict access to the leased premises when not in use for its activities. Notwithstanding the foregoing, LESSOR and LESSOR's officers and employees shall have full access to enter the leased premises anytime to examine the condition thereof or make repairs, additions, or alterations as may be necessary for the safety, preservation, or improvement of the property which the LESSOR, in its sole discretion, determines to make or

for any other purpose which the LESSOR deems appropriate as it relates to the physical facility and equipment.

17. Quiet Enjoyment.

LESSOR agrees that LESSEE, upon payment of rent and performing the agreements in this Lease Agreement, may peacefully and quietly have, hold, and enjoy the said leased premises on all the terms of this Lease Agreement.

18. Notices.

Any notice provided for herein shall be deemed to have been served sufficiently if mailed by first class mail to the City Manager, for notices to the LESSOR, or to the President, for notices to the LESSEE, at the addresses set forth below.

LESSOR:

City Manager
City of Greenville
P.O. Box 7207
Greenville, NC 27835

LESSEE:

President
Greenville Industrial- Eppes High School
Alumni Heritage Society
P.O. Box 93
Greenville, NC 27835

19. Legal and Regulatory Duties.

The LESSEE shall observe all applicable local, state, and federal laws and regulations as they pertain to LESSEE's use and occupation of the leased premises. LESSEE shall indemnify and hold harmless the LESSOR from and against any liability arising from such laws or regulations caused by LESSEE's use or occupation of the leased premises.

20. Entire Agreement.

This Lease Agreement is the only agreement between the parties hereto with respect to the subject matter hereof and contains all of the terms agreed upon, and there are no other agreements, oral or written, between the parties hereto with respect to the subject matter thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed in duplicate originals as of the day and year first above written.

CITY OF GREENVILLE

GREENVILLE INDUSTRIAL-
EPPES HIGH SCHOOL
ALUMNI HERITAGE SOCIETY

BY: _____
Ann E. Wall, City Manager

BY: _____
, President

**NORTH CAROLINA
PITT COUNTY**

I, _____, a Notary Public in and for the aforesaid County and State, do hereby certify that Ann E. Wall, City Manager for the City of Greenville, personally appeared before me on this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this the _____ day of _____, 2018.

Notary Public

My Commission expires: _____.

**NORTH CAROLINA
PITT COUNTY**

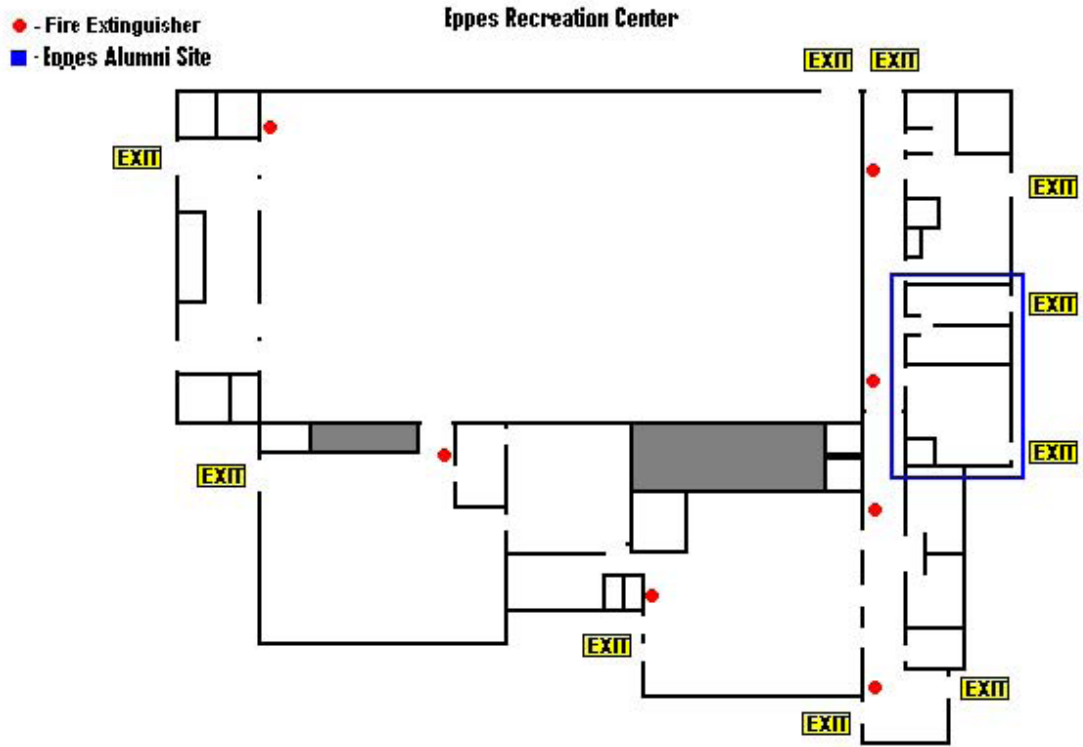
I, _____, a Notary Public in and for the aforesaid County and State, do hereby certify that _____, President, for Greenville Industrial-Eppes High School Alumni Heritage Society, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this the _____ day of _____, 2018.

Notary Public

My Commission expires: _____.

Exhibit A





City of Greenville, North Carolina

Meeting Date: 1/11/2018
Time: 6:00 PM

Title of Item: Bond Order Resolution providing for the Issuance and Sale of Stormwater System Revenue Bonds, Series 2018

Explanation: **Abstract:** City Council action is needed to approve the bond order resolution authorizing the issuance and sale of the City's Stormwater System Revenue Bonds, Series 2018.
Explanation: At the December 14, 2017 meeting, the City Council authorized the filing of an application with the North Carolina Local Government Commission (the "LGC") requesting approval of the issuance of not to exceed \$15,000,000 Stormwater System Revenue Bonds, Series 2018 for the purpose of providing funds, together with other available funds, to pay or reimburse the costs of the Project, fund any necessary debt service reserve fund for the Series 2018 Bonds, and pay certain other costs associated with the sale and issuance of the Series 2018 Bonds. The LGC is scheduled to approve the application of the City for the issuance of the Series 2018 Bonds in an aggregate principal amount not to exceed \$15,000,000 in accordance with N.C.G.S. 159-86 on January 9, 2018. As a result, the City has determined to issue the Series 2018 Bonds to be dated as of March 1, 2018.
Also attached for City Council is the detailed schedule of the dates, tasks, and responsibilities for finalizing the Stormwater System Revenue Bonds, Series 2018. Included are other attachments related to the Bonds.

Fiscal Note: The City proposes to sell the Stormwater System Revenue Bonds, Series 2018 in an aggregate principal amount not to exceed \$15,000,000 on March 1, 2018.

Recommendation: Approve the attached Bond Order Resolution for the issuance and sale of the Stormwater System Revenue Bonds, Series 2018.

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / [click to download](#)

- ❏ [Bond Order 2018 Calendar](#)
 - ❏ [Preliminary Official Statement](#)
 - ❏ [Appendix A](#)
 - ❏ [Bond Purchase Agreement](#)
 - ❏ [Trust Agreement](#)
 - ❏ [First Supplemental Trust Agreement](#)
 - ❏ [Bond Order Resolution - Greenville 2018 Revenue Stormwater 1066256](#)
-

RESOLUTION NO. ___ - 18

ORDER AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF GREENVILLE, NORTH CAROLINA, OF ITS STORMWATER SYSTEM REVENUE BONDS, SERIES 2018 AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

BE IT ORDERED by the City Council of the City of Greenville, North Carolina (the “City”):

Section 1. The City Council does hereby find and determine as follows:

(a) The City currently owns and operates a stormwater system (the “System”) which provides service to the residents of the City and its environs.

(b) In order to better serve and provide for the future needs of the residents of the City and its environs, the City desires to acquire, construct and equip certain improvements to the System (collectively, the “Project”).

(c) At a meeting held on December 14, 2017, the City Council authorized the filing of an application with the North Carolina Local Government Commission (the “LGC”) requesting approval of the issuance of not to exceed \$15,000,000 Stormwater System Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) of the City for the purpose of providing funds, together with other available funds, to (i) pay or reimburse the costs of the Project, (ii) fund any necessary debt service reserve fund for the Series 2018 Bonds and (iii) pay certain other costs associated with the sale and issuance of the Series 2018 Bonds.

(d) The City, by resolution, also requested the LGC to sell such revenue bonds at private sale without advertisement.

(e) The LGC has approved the application of the City for the issuance of the Series 2018 Bonds in an aggregate principal amount not to exceed \$15,000,000 in accordance with N.C.G.S. 159-86.

(f) The City has determined to issue the Series 2018 Bonds pursuant to a Trust Agreement, to be dated as of March 1, 2018 (the “Trust Agreement”), between the City and U.S. Bank National Association, as trustee (the “Trustee”), in an aggregate principal amount not to exceed \$15,000,000 for the purpose of providing funds, together with other available funds, to (i) pay or reimburse the costs of the Project, (ii) fund any necessary debt service reserve fund for the Series 2018 Bonds, and (iii) pay certain other costs associated with the sale and issuance of the Series 2018 Bonds.

(g) The City proposes to sell the Series 2018 Bonds to Robert W. Baird & Co. Incorporated (the “Underwriter”) pursuant to the provisions of a Bond Purchase Agreement (hereinafter defined), at such prices determined by the LGC, subject to the approval thereof by the City.

(h) There have been presented to the City Council at this meeting drafts of the following documents relating to the sale and issuance of the Series 2018 Bonds:

(1) Trust Agreement;

(2) First Supplemental Trust Agreement, to be dated as of March 1, 2018 (the “First Supplemental Trust Agreement”), between the City and the Trustee;

(3) Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among the Underwriter, the LGC and the City; and

(4) Preliminary Official Statement, to be dated as of the date of delivery thereof (the “Preliminary Official Statement”), relating to the offering and sale of the Series 2018 Bonds.

(i) The City has determined that the issuance and sale of the Series 2018 Bonds in the manner provided in this order is in the best interests of the City.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the Trust Agreement and the First Supplemental Trust Agreement.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the City hereby authorizes the issuance of the Series 2018 Bonds in an aggregate principal amount not to exceed \$15,000,000 for the purposes set forth in this order. The exact amount of Series 2018 Bonds to be issued shall be determined by the Director of Financial Services of the City at the time the Series 2018 Bonds are sold and shall be an amount sufficient, together with other available funds of the City, to (a) pay or reimburse the costs of the Series 2018 Project, (b) fund any necessary debt service reserve fund for the Series 2018 Bonds, and (c) pay certain other costs associated with the sale and issuance of the Series 2018 Bonds. The Series 2018 Bonds shall mature at such times and in such amounts as shall be set forth in the Trust Agreement and the First Supplemental Trust Agreement, subject to the provisions of this order.

The Series 2018 Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any whole multiple thereof and shall be subject to the provisions of the book-entry only system for registration of the Series 2018 Bonds as set forth in the First Supplemental Trust Agreement. Interest on the Series 2018 Bonds shall be payable on March 1 and September 1 of each year, beginning September 1, 2018, until the payment in full of the principal thereof. The final maturity of the Series 2018 Bonds shall not be later than December 31, 2043.

Section 4. The Series 2018 Bonds shall be subject to optional, extraordinary optional and mandatory sinking fund redemption at the times, upon the terms and conditions, and at the prices as shall be set forth in the Trust Agreement and the First Supplemental Trust Agreement.

Section 5. The proceeds of the Series 2018 Bonds shall be applied as provided in Section 204 of the First Supplemental Trust Agreement.

Section 6. The Series 2018 Bonds, together with any other obligations secured on a parity therewith pursuant to the provisions of the Trust Agreement, shall be secured on a parity basis by a pledge, charge and lien upon the Net Receipts and the money and Investment Obligations held in the accounts and subaccounts of the Bond Fund in the manner and to the extent provided in the Trust Agreement and the First Supplemental Trust Agreement.

Section 7. The proposal set forth in the Bond Purchase Agreement submitted by the Underwriter offering to purchase the Series 2018 Bonds at the aggregate purchase price and bearing interest at the rates determined by the LGC and approved by the City as hereinafter provided, such purchase price not to be less than 98% of the aggregate principal amount of the Series 2018 Bonds (exclusive of any original issue discount), and such interest rates not to result in an aggregate true interest cost in excess of 4.28% per annum, is hereby approved. The Local Government Commission is hereby requested to sell and award the Series 2018 Bonds to the Underwriter on behalf of the City, subject to the approval of the City, in accordance with the terms and provisions set forth in the Bond Purchase Agreement. The Mayor, the City Manager and the Director of Financial Services of the City are each hereby designated to approve on behalf of the City the sale of the Series 2018 Bonds to the Underwriter at such interest rates, for such purchase price and upon such terms and conditions as the Mayor, the City Manager or the Director of Financial Services shall determine, subject to the provisions of this order. The Mayor, the City Manager and the Director of Financial Services of the City are each hereby authorized and directed in the name and on behalf of the City to execute and deliver the Bond Purchase Agreement in substantially the form presented at this meeting, together with such changes, additions and deletions as the Mayor, the City Manager or the Director of Financial Services, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 8. The form, terms and provisions of the Trust Agreement and the First Supplemental Trust Agreement are hereby approved, and the Mayor or the City Manager are hereby authorized and directed to execute the Trust Agreement and the First Supplemental Trust Agreement in substantially the forms presented at this meeting, together with such changes, additions and deletions as the Mayor or the City Manager, with the advice of counsel, may deem necessary and appropriate, including, without limitation, changes, additions and deletions necessary to incorporate the final terms of the Series 2018 Bonds as set forth in the Bond Purchase Agreement, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The City Clerk or any assistant or deputy City Clerk are hereby authorized and directed to attest the execution of the Trust Agreement and the First Supplemental Trust Agreement as may be required by such documents.

Section 9. The Preliminary Official Statement relating to the offering for sale of the Series 2018 Bonds is hereby approved in the form presented at this meeting. The use and distribution of the Preliminary Official Statement in connection with the offering for sale of the Series 2018 Bonds by the Underwriter is hereby approved. The City authorizes and consents to the preparation and distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2018 Bonds. The Mayor, the City Manager and the Director of Financial

Services of the City are each hereby authorized and directed to deliver the final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes, additions and deletions as such officer, with the advice of counsel, may deem necessary and appropriate, such delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. The Mayor, the City Manager, the Director of Financial Services, the City Clerk and the City Attorney of the City, or any of them or their assistants or deputies, are each hereby authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the Trust Agreement, the First Supplemental Trust Agreement or the Bond Purchase Agreement.

The officers, agents and employees of the City are also hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Series 2018 Bonds, the Trust Agreement, the First Supplemental Trust Agreement or the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 11. The sale and issuance of the Series 2018 Bonds are hereby approved subject to the terms and conditions set forth in this order.

Section 12. This order shall take effect immediately upon its passage.

Adopted this the 11th day of January, 2018.

P.J. Connelly, Mayor

ATTEST:

Carol L. Barwick, City Clerk

#1066256



CITY OF GREENVILLE, NORTH CAROLINA
*Stormwater System Revenue Bonds,
 Series 2018*

Financing Calendar
(Tentative and Subject to Change)



October 2017							November 2017							December 2017						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						

January 2018							February 2018							March 2018						
Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa	Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6					1	2	3					1	2	3
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31

Bold indicates holiday

Date	Task	Responsibility
7/25/17	Call with the LGC to discuss project	All
8/03/17	Underwriter RFPs due	FA
8/07/17	Underwriter Selected	City, FA
8/15/17	Submit letter to Joint Legislative Commission	BC, City
11/07/17	POS Information Request to City	UC
11/13/17	City adopts Reimbursement Resolution	BC, City
11/20/17	Brief Kick off Call – 11:00AM	City, BC, UW, UCFA
11/21/17	1 st draft of Initial Resolution to the City	BC
11/22/17	Info due to UC from City	City
11/27/17	City collects Initial Resolution for 12/14 agenda cycle (as needed)	City
By 12/08/17	Submit LGC application	City, FA
12/06/17	1st Draft of legal documents - Trust Indenture, Supplemental Trust Indenture, Bond Order	UC, BC
12/08/17	1 st draft of POS distributed.	UC
12/11/17	Conference call to review documents, and POS due diligence items at 9:30 AM EST	All

Date	Task	Responsibility
12/14/17	City Council adopts initial resolution.	City, FA
12/15/17	Distribute 1 st draft of rating agency presentation to City	FA, UW
12/18/17	City collects documents for 1/11 agenda cycle (as needed) - Trust Indenture, Supplemental Trust Indenture, Bond Order, Draft of Preliminary Official Statement	City
12/22/17	Comments on rating agency presentation	City
12/29/29	2 nd Draft of Rating Agency Presentation distributed	FA
01/09/18	Receive LGC approval	LGC
01/10/18	Distribute documents & presentation to rating agencies	UW, BC, UC, FA
01/11/18	City Council adopts Bond Indenture and Bond Resolution	City, FA
01/18-19	Rating Agency Presentation	City, FA
01/23/18	UW/UC Due Diligence Call – 9:30 AM	City, FA, UW
01/26/18	Final Comments on POS	All
01/26/18	Receive credit rating	City, FA, UW
01/29/18	Distribute POS	City, FA, UW, UC
02/06/18	Pre-pricing call at 4:00 PM EST	All parties
02/07/18	Pricing day	All parties
2/08/18	BPA Signing Date	City, UW
2/15/18	Final Official Statement distributed	UC
3/01/18	Closing	All Parties

Legend:

City City of Greenville
LGC North Carolina Local Government Commission
BC Bond Counsel: Womble Bond Dickinson (US) LLP
FA Financial Advisor: Hilltop Securities
UW Underwriter: R.W. Baird
UC Underwriter's Counsel: Parker Poe
T Trustee: TBD

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 29, 2018

NEW ISSUE/FULL BOOK-ENTRY

Ratings: Moody's: []
S&P: []
(See "MISCELLANEOUS—Ratings" herein)

In the opinion of Bond Counsel, which is based on existing law and assumes continuing compliance by the City with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2018 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation and will not be a specific preference item for purposes of computing the alternative minimum tax imposed by the Code on corporations and other taxpayers, including individuals; however, such interest will be includable in the adjusted current earnings of corporations for purposes of computing alternative minimum tax imposed by the Code on corporations. In the opinion of Bond Counsel, which is based on existing law, interest on the 2018 Bonds will be exempt from all State of North Carolina income taxes. See the caption "LEGAL MATTERS--TAX TREATMENT."

§ _____ *

CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018

Dated: Date of Delivery

Due: March 1, as shown on the inside cover page

This Official Statement has been prepared by the City of Greenville, North Carolina (the "City") to provide information on the Stormwater System Revenue Bonds, Series 2018 (the "2018 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.

Security: The 2018 Bonds are special obligations of the City, secured by a pledge of Net Receipts (as defined herein), of the System (as defined herein) of the City and certain net insurance proceeds and other proceeds. Neither the credit nor the taxing power of the City or the State of North Carolina (the "State") or any of the State's political subdivisions is pledged for the payment of principal of, premium, if any, or interest on the 2018 Bonds. No Owner of the 2018 Bonds has the right to compel the exercise of the taxing power of the State, the City or any of the State's political subdivisions or the forfeiture of any of their respective properties in connection with any default on the 2018 Bonds. The principal of and premium, if any, and interest on the 2018 Bonds are payable solely from the Net Receipts pledged by the City and neither the State, the City nor any of the State's political subdivisions is obligated to pay the principal of and premium, if any, and interest on the 2018 Bonds except from such Net Receipts. See "SECURITY AND SOURCES OF PAYMENT" herein.

Redemption: The 2018 Bonds are subject to optional and mandatory sinking fund redemption before maturity as described herein.

Issued Pursuant to: The 2018 Bonds will be issued pursuant to The State and Local Government Revenue Bond Act, specifically, Article 5, Chapter 159 of the General Statutes of North Carolina, as amended; a Trust Agreement dated as of March 1, 2018 between the City and U.S. Bank National Association, as trustee (the "Trustee"); and a First Supplemental Trust Agreement, dated as of March 1, 2018 between the City and the Trustee.

Purpose: Proceeds of the 2018 Bonds will be used to (a) pay the costs of various improvements to the City's existing structural and natural stormwater system facilities (as more particularly described herein) and (b) pay the costs and expenses incurred in connection with the sale and issuance of the 2018 Bonds. The 2018 Bonds constitute Green Bonds within the framework of the Green Bond Principles as more particularly described in "THE PLAN OF FINANCE – GREEN BOND DESIGNATION" herein.

Interest Payment Dates: September 1 and March 1 of each year, commencing September 1, 2018.

Denomination: \$5,000 or integral multiples thereof.

Closing/Delivery Dates: On or about March 1, 2018.

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

Trustee: U.S. Bank National Association, Raleigh, North Carolina.

Bond Counsel: Womble Bond Dickinson (US) LLP, Raleigh, North Carolina.

City Attorney: Emanuel McGirt, Esq., Greenville, North Carolina.

Underwriter's Counsel: Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina.

Financial Advisor: Hilltop Securities, Inc., Charlotte, North Carolina.

BAIRD

Dated: February __, 2018

* Preliminary; subject to change.

MATURITY SCHEDULE*

\$ _____ **2018 SERIAL BONDS DUE MARCH 1, AS FOLLOWS:**

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP⁺</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP⁺</u>
-------------	-----------------------------	--------------------------	--------------	--------------------------	-------------	-----------------------------	--------------------------	--------------	--------------------------

\$ _____ % **TERM BONDS DUE** _____, **20** ; **PRICED AT** _____ % **TO YIELD** _____ % **CUSIP** _____
 \$ _____ % **TERM BONDS DUE** _____, **20** ; **PRICED AT** _____ % **TO YIELD** _____ % **CUSIP** _____

* Preliminary; subject to change.

+ Copyright 2016, American Bankers Association. CUSIP numbers herein are provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not service in any way as a substitute for CUSIP Global Services. CUSIP numbers are provided for convenience of reference only for the purchasers of the 2018 Bonds. Neither the City nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2018 Bonds or as represented above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2018 Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 shall there be any sale of the 2018 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 City and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by the Underwriter and is not to be construed as a representation by the Underwriter.

The electronic distribution of this Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the 2018 Bonds described herein to the residents of any particular state and is not specifically directed to the residents of any particular state. The 2018 Bonds shall not be offered or sold in any state unless and until they are either registered pursuant to the laws of such state or qualified pursuant to an appropriate exemption from registration in such state.

NEITHER THE 2018 BONDS NOR THE TRUST AGREEMENTS HAVE BEEN REGISTERED OR QUALIFIED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(A)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 304(A)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE 2018 BONDS AND THE TRUST AGREEMENTS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2018 BONDS AND THE TRUST AGREEMENTS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL 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 2018 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City 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 a 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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**State of North Carolina
Department of State Treasurer**

DALE FOLWELL
Treasurer

*State and Local Government Finance Division
and the Local Government Commission*

GREG C. GASKINS
Deputy Treasurer

OFFICIAL STATEMENT

relating to

§ _____ *

**CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018**

INTRODUCTION

This Official Statement, which includes the cover and the appendices hereto, provides certain information in connection with the issuance of \$_____ Stormwater System Revenue Bonds, Series 2018 (the “2018 Bonds”), of the City of Greenville, North Carolina (the “City”).

This introduction provides certain limited information to serve as a guide to this Official Statement, and is expressly qualified by this Official Statement as a whole. Prospective investors should make a full review of the entire Official Statement and 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. Neither the delivery of this Official Statement nor of the 2018 Bonds shall under any circumstances create any implication that there has been no change in the City’s affairs since the date of this Official Statement. For the definition of certain terms used in this Official Statement and a summary of certain provisions of the Trust Agreement (as defined herein), see Appendix C, “**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.**” Capitalized terms used in this Official Statement, unless otherwise defined herein, have the meanings given such terms in the Trust Agreement and the First Supplemental Trust Agreement (as defined herein).

The System and the City. The City’s existing structural and natural stormwater system facilities to which additions, improvements, betterments, extensions and acquisitions relating thereto are from time to time made (the “*System*”) is municipally-owned and currently operated through the City’s Public Works Department. The System is employed to comprehensively address surface water within the City in an environmentally sustainable manner through the design construction, maintenance and management of the water courses and physical infrastructure that compose the System. For more information on the System, see “**THE STORMWATER FACILITIES**” herein. See Appendix B for certain information regarding the City.

Authorization. The 2018 Bonds will be authorized under The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the General Statutes of North Carolina (the “*Act*”) and an order adopted by the City Council of the City on January 11, 2018 (the “*Bond Order*”). The 2018 Bonds will be issued under a Trust Agreement dated as of March 1, 2018 between the City and U.S. Bank National Association, as trustee (the “*Trustee*”), (the “*Trust Agreement*”), and a First Supplemental Trust Agreement dated as of March 1, 2018 (the “*First Supplemental Trust Agreement*”) between the City and the Trustee.

* Preliminary; subject to change.

Purpose. The City is issuing the 2018 Bonds to (a) pay the costs of various improvements to the City's existing structural and natural stormwater system facilities (as more particularly described herein) and (b) pay the costs and expenses incurred in connection with the sale and issuance of the 2018 Bonds. See **"THE PLAN OF FINANCE"** and **"ESTIMATED SOURCES AND USES OF FUNDS."**

The 2018 Bonds. The 2018 Bonds will be dated their date of delivery and will bear interest from that date, payable on September 1, 2018, and semiannually thereafter on each March 1 and September 1, at the rates shown on the inside cover page. Principal on the 2018 Bonds will be payable, subject to redemption as described herein, on March 1 in the years and amounts shown on the inside cover page. The 2018 Bonds are offered in denominations of \$5,000 and integral multiples thereof. The 2018 Bonds will be subject to optional redemption and mandatory sinking fund redemption, as described below.

Security. The 2018 Bonds will be special obligations of the City, secured by a pledge of the Net Receipts of the System (each as defined herein) and certain net insurance and other proceeds. The 2018 Bonds will be additionally secured by certain funds and accounts and subaccounts held by the Trustee under the Trust Agreement and the First Supplemental Trust Agreement. The 2018 Bonds are not payable from the City's general funds and do not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the City's property or on any of its income, receipts or revenues, except the Net Receipts of the System and other funds pledged to their payment as provided in the Trust Agreement and the First Supplemental Trust Agreement. **NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY OR THE STATE OR ANY OF THE STATE'S POLITICAL SUBDIVISIONS IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS, AND NO OWNER OF THE 2018 BONDS HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE, ANY OF THE STATE'S POLITICAL SUBDIVISIONS OR THE FORFEITURE OF ANY OF THEIR RESPECTIVE PROPERTY OTHER THAN THE NET RECEIPTS IN CONNECTION WITH ANY DEFAULT ON THE 2018 BONDS.** The 2018 Bonds and any Additional Bonds or Parity Debt that may be issued or incurred under the Trust Agreement will be parity obligations under the Trust Agreement. The City has general obligation indebtedness related to the System that may be paid from Net Receipts after payment of Parity Indebtedness, but may also be paid from other sources available to the City, and is not secured by a pledge of the Net Receipts. See **"SECURITY AND SOURCES OF PAYMENT."**

The City. See Appendix A attached hereto for certain information regarding the City.

Book-Entry Form. The 2018 Bonds will be issued in book-entry-only form, without physical delivery of 2018 Bonds to beneficial owners of the 2018 Bonds (*"Beneficial Owners"*). The Trustee will make principal, redemption premium (if any) and interest payments to The Depository Trust Company (*"DTC"*), New York, New York, which will in turn remit such payments to its participants for subsequent distribution to Beneficial Owners. See Appendix E, **"BOOK-ENTRY-ONLY FORM."**

Tax Treatment. See **"LEGAL MATTERS—TAX TREATMENT."**

Professionals. Robert W. Baird & Co. (the *"Underwriter"*) is underwriting the 2018 Bonds. Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, is serving as Bond Counsel to the City. Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, is serving as counsel to the Underwriter. Emanuel McGirt, Esq., Greenville, North Carolina, is City Attorney. U.S. Bank National Association, Raleigh, North Carolina, is serving as the Trustee. Hilltop Securities, Inc. is serving as financial advisor to the City in connection with the issuance of the 2018 Bonds.

City Financial Statements. The City's general purpose financial statements have been audited by independent certified public accountants for each fiscal year through the fiscal year ended June 30, 2017. Copies of these financial statements, including audited financial statements containing the unqualified reports of the independent certified public accountants (as to the conformity of the financial statements to

generally accepted accounting principles, as applicable, consistently applied) are available from the City at City Hall, 200 West Fifth Street, Greenville, North Carolina 27834, Attention: Director of Financial Services (252-329-4443). The City's general purpose financial statements and the notes thereto, lifted from the City's audited financial report for the fiscal year ended June 30, 2017, are included as Appendix B.

Additional Information. Additional information and copies in reasonable quantity of the principal financing documents may be obtained from the Director of Financial Services at City Hall, 200 West Fifth Street, Greenville, North Carolina 27834, Attention: Director of Financial Services (252-329-4443). Copies of such documents can also be obtained during the offering period from Robert W. Baird & Co., 380 Knollwood Street, Winston Salem, North Carolina 27103, Attention: Ryan Maher, Managing Director (336-631-5835).

Continuing Disclosure. The City has undertaken in the First Supplemental Trust Agreement to provide certain annual financial information and operating data and to provide notice of certain material events. See "**CONTINUING DISCLOSURE OBLIGATION**" below.

THE 2018 BONDS

AUTHORIZATION

The 2018 Bonds will be issued under the Act, the Bond Order, the Trust Agreement and the First Supplemental Trust Agreement.

The City's issuance of the 2018 Bonds has received the required approval of the North Carolina Local Government Commission (the "LGC") on January 9, 2018. The LGC is a division of the North Carolina State Treasurer's office charged with general oversight of local government finance in the State of North Carolina (the "State"). The LGC's approval is required for substantially all local government bond issues and other local government financing arrangements in the State. In determining whether to allow bonds to be issued under the Act, the LGC has been given wide statutory discretion to consider the need for and feasibility of the projects to be financed, the local government's capability to repay the amount financed from the pledged revenue sources, and the local government's general compliance with State budget and finance laws. Under the Act, the LGC is also responsible, with the issuing unit's approval, for selling bonds issued pursuant to the Act. See Appendix E for additional information on the LGC and its powers and duties.

GENERAL TERMS

Payment Terms. The 2018 Bonds will be dated as of their date of delivery, and will bear interest from their date payable on September 1, 2018, and semiannually thereafter on each March 1 and September 1 (the "*Interest Payment Dates*"), at the rates shown on the inside cover page (calculated on the basis of a 360-day year consisting of twelve 30-day months). The interest will be paid to the person in whose name a 2018 Bond is registered at the close of business on the Regular Record Date (as defined in the Trust Agreement) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding each Interest Payment Date. Principal of the 2018 Bonds will be payable, subject to redemption as described herein, on March 1 in the years and amounts shown on the inside cover page. Payments will be effected through DTC. See Appendix F, "**BOOK-ENTRY-ONLY FORM.**"

Denominations. The 2018 Bonds are issuable in fully registered form in denominations of \$5,000 or any whole multiple thereof.

Transfer, Registration and Exchange. So long as DTC or its nominee is the registered owner of the 2018 Bonds, transfers, registration and exchanges of beneficial ownership interests in the 2018 Bonds will be available only through DTC participants, as hereinafter described. See Appendix F, “**BOOK-ENTRY-ONLY FORM.**” The Trust Agreement and the First Supplemental Trust Agreement describe the provisions for transfer, registration and exchange applicable if a book-entry system is no longer in effect.

REDEMPTION PROVISIONS

Optional Redemption. The 2018 Bonds maturing on or after March 1, 20__ are subject to redemption prior to their respective maturities, at the option of the City, from any money that may be available for such purpose, either in whole or in part on any date on or after March 1, 20__, at a Redemption Price equal to 100% of the principal amount of the 2018 Bonds to be redeemed, plus accrued interest to the redemption date.

Sinking Fund Redemption. The 2018 Bonds maturing on March 1, 20__ are subject to mandatory redemption in part on March 1, 20__, and on each March 1 thereafter, in the principal amounts set forth below from money deposited to the credit of the Series 2018 Subaccount of the Sinking Fund Account, at a Redemption Price equal to 100% of the principal amount of the 2018 Bonds to be redeemed, plus accrued interest to the redemption date:

YEAR	AMOUNT
------	--------

*

* Maturity

Notice of Redemption. The Trustee shall send notice of redemption of any 2018 Bonds to be redeemed by first-class mail, postage prepaid, at least 30 days but not more than 60 days before the redemption to all Owners of 2018 Bonds to be redeemed in whole or in part, but notice to DTC will be sent by registered or certified mail. Failure to mail any notice to any Owner or any defect in such notice will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice is properly given.

Any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the 2018 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such 2018 Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such 2018 Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Selection of 2018 Bonds for Redemption. If less than all of the 2018 Bonds are called for redemption, the City will select the maturity or maturities of the 2018 Bonds to be redeemed. If less than all 2018 Bonds of any maturity are to be redeemed, the 2018 Bonds to be redeemed will be selected (1) by DTC pursuant to its rules and procedures or (2) if a book-entry system is no longer in effect, by the

Trustee by lot. If the 2018 Bonds are to be redeemed in part, they may be redeemed only in integral multiples of \$5,000 and each \$5,000 portion of the principal will be counted as one 2018 Bond for such purpose. If a portion of a 2018 Bond is called for redemption, a new 2018 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the Owner thereof upon surrender thereof at the designated corporate trust office of the Trustee.

Effect of Call for Redemption. On or before the date on which 2018 Bonds or portions thereof are to be redeemed, the City will deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the 2018 Bonds or portions thereof to be redeemed on such redemption date.

If on the date fixed for redemption, notice has been properly given in the manner prescribed in the Trust Agreement and the First Supplemental Trust Agreement, the 2018 Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee in trust for the Owners of Bonds to be redeemed (1) interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after such date; (2) such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Trust Agreement and the First Supplemental Trust Agreement and shall cease to be deemed Outstanding; and (3) Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption.

THE PLAN OF FINANCE

THE PROJECT

The Project will consist of surface-level and sub-surface level additions, improvements, betterments and extensions to the existing Town Creek Culvert portion of the System designed to address pavement, stormwater and drainage issues for about 300 acres in the downtown and adjacent areas of the City. The Town Creek Culvert begins near West 9th Street and Ficklen Street and continues to its outlet in the Tar River between Reade Circle and South Summit Street in the City. The Town Creek Culvert Project will ultimately redirect stormwater from two other outfalls to the Town Creek Culvert and provide relief to currently overwhelmed storm drainage systems west of the uptown area of the City.

GREEN BOND DESIGNATION

The City has deemed the aforementioned improvements to the Town Creek Culvert portion of the System to serve an environmental benefit within the framework of the Green Bond Principles (the "*Green Project*"). The Green Bond Principles are a set of voluntary process guidelines developed by a consortium of investment banks, issuers and investors relating to the issuance of obligations that finance or refinance projects that promote environmental sustainability. All of the proceeds of the 2018 Bonds (other than the portion used to pay costs of issuance) will be used to finance the Green Project. The Green Project financed by the 2018 Bonds falls under the eligibility category of Sustainable Water Management, specifically, Sustainable Urban Drainage and Flood Mitigation. The purpose of designating the 2018 Bonds as "Green Bonds" is to allow investors to invest directly in bonds that finance or refinance environmentally-sustainable projects. The Owners of the 2018 Bonds do not assume any specific risk related to the Green Project. The terms "Green Project" and "Green Bonds" are neither defined in, nor related to the Trust Agreements. Their use in this Official Statement is for identification purposes only and is not intended to provide or imply that any Owner of the 2018 Bonds is entitled to any additional security other than as provided in the Trust Agreement and the First Supplemental Trust Agreement.

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents estimated information as to sources and uses of funds for the improvements and the plan of financing.

SOURCES OF FUNDS:

Par amount of 2018 Bonds
[Net] Original Issue [Premium/Discount]
TOTAL

USES OF FUNDS:

Deposit to Project Fund
Costs of Issuance¹
TOTAL

¹ Includes various professional fees, other financing costs and the underwriter's discount.

SECURITY AND SOURCES OF PAYMENT

GENERAL

The 2018 Bonds will be special obligations of the City, secured by a pledge of the Net Receipts of the System and, in certain circumstances, by proceeds of the 2018 Bonds, investment earnings and certain net insurance and other proceeds. The 2018 Bonds will be additionally secured by certain funds, accounts and subaccounts held by the Trustee under the Trust Agreement and the First Supplemental Trust Agreement. **NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY OR THE STATE OR ANY OF THE STATE'S POLITICAL SUBDIVISIONS IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS, AND NO OWNER OF THE 2018 BONDS HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE, ANY OF THE STATE'S POLITICAL SUBDIVISIONS OR THE FORFEITURE OF ANY OF THEIR RESPECTIVE PROPERTY OTHER THAN THE NET RECEIPTS IN CONNECTION WITH ANY DEFAULT ON THE 2018 BONDS.**

The Trust Agreement authorizes the City to add to the System on compliance with certain terms set forth in the Trust Agreement. The City may also sell or dispose of and encumber certain components of the System on compliance with the terms set forth in the Trust Agreement. See “**--Covenants Against Sale or Disposition and Exceptions Thereto,**” and “**--Contracts, Leases and Other Agreements**” in Appendix C.

PLEDGE OF NET RECEIPTS

The City grants to the Trustee a pledge, charge and lien upon the Net Receipts of the System as security for the payment of the 2018 Bonds and any Parity Debt and the interest thereon and any Derivative Agreement Parity Payments as authorized by the Act. See “**--Security for the Bonds and Other Parity Indebtedness and Derivative Agreement Obligations**” in Appendix C.

Net Receipts for any particular period means the excess, if any, of Receipts after the payment of Current Expenses for such period. Receipts generally means all receipts, revenues, income, proceeds and money received in any period by or for the City in respect of the System. Current Expenses generally means the City's current expenses for the operation, maintenance and repair of the System as determined in accordance with generally accepted accounting principles, except that Current Expenses do not include: (a) any reserves for extraordinary replacements or repairs, (b) any allowance for depreciation or any

amortization of financing expense, (c) any accrued expenses for other post-retirement benefits unless such expenses result from (i) the actual payment of benefits to retirees or (ii) the depositing of funds into an irrevocable trust for the purpose of making future payment of benefits to retirees, (d) any deposits to any fund, account and subaccount created under this Trust Agreement or any Supplemental Agreement and payments of principal, premium, if any, and interest from such funds, accounts and subaccounts, and (e) any debt service payments or reserves or deposits for debt service payments in respect of Parity Indebtedness, Subordinated Indebtedness or System G.O. Indebtedness or capital leases, installment financing contracts or similar financing arrangements for any component of the System. See Appendix C for complete definitions of “*Receipts*” and “*Current Expenses*.”

Subject to compliance with applicable provisions of North Carolina law, the City may issue general obligation bonds, secured by the *ad valorem* taxing power of the City, to finance the costs of improvements to the System. General obligation indebtedness has heretofore been and may hereafter be incurred by the City to finance all or any part of the System or to refinance indebtedness incurred to finance all or any part of the System (collectively, “*System G.O. Indebtedness*”). At January 1, 2018, approximately \$3,495,333 in principal amount of System G.O. Indebtedness was outstanding. Under the Trust Agreement, System G.O. Indebtedness is not secured by a pledge and lien on the Net Receipts, but may be paid from Net Receipts following the payment of the Bonds and Parity Debt, Subordinated Indebtedness and any required transfers to reserve funds. See the caption “--APPLICATION OF RECEIPTS.” In addition, although the Trust Agreement does not create a pledge and lien on the Net Receipts on behalf of the holders of System G.O. Indebtedness, North Carolina law requires that revenues, if any, of a utility or public service enterprise must be applied first, to pay the operating, maintenance and capital outlay costs of the utility or enterprise, and second, to pay the bonds incurred to finance the utility or enterprise, before such funds may be used for any other purpose. Therefore, although the City is not required by law to collect rates, fees and charges sufficient to pay debt service on System G.O. Indebtedness, to the extent such rates, fees and charges are collected, they must be applied to pay debt service on System G.O. Indebtedness to the extent amounts are available for such purpose following payment of Current Expenses, capital outlay, debt service on Parity Debt and Subordinated Indebtedness and required reserve fund transfers.

FUNDS AND ACCOUNTS

Revenue Fund. The Revenue Fund will be established with and held by a Depositary selected by the City and will not be a Trustee-held fund. The City is required under the Trust Agreement to deposit all Receipts as received in the Revenue Fund. In addition, all proceeds received by the City pursuant to any Derivative Agreement will be deposited in the Revenue Fund.

However, upon the occurrence of any Event of Default under the Trust Agreement, the Trustee may, and on the written request of the Owners and Holders of not less than a majority in aggregate principal amount of Parity Indebtedness then Outstanding will, (a) require the City to endorse all checks and other negotiable instruments representing Receipts to the order of the Trustee immediately on receipt thereof and deliver such endorsed instruments daily to the Trustee, (b) notify any or all account debtors of the City to pay any amounts representing Receipts, when due and owing, directly to the Trustee and (c) require the City to deliver to the Trustee all money and Investment Obligations held by the City in the Revenue Fund. The disposition of Receipts held by the Trustee pursuant to (a), (b) and (c) above is subject to the provisions of the Trust Agreement governing the disposition of Receipts to the same extent as if the City had deposited such Receipts in the Revenue Fund.

Bond Fund. The Bond Fund is held by the Trustee and is composed of six separate accounts known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account and the Parity Reserve Account. Each Supplemental Agreement shall provide, to the extent applicable, for the creation of a separate subaccount within the Capitalized Interest

Account, the Interest Account, the Principal Account, the Redemption Account and the Sinking Fund Account with respect to each Series of Bonds, which subaccounts shall bear the designation of such Series of Bonds. A Supplemental Agreement may provide that the Bonds authorized thereby may be additionally secured by the Parity Reserve Account or a Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Bonds is secured by a Special Reserve Account or is not secured by any debt service reserve fund, such Series of Bonds shall have no claim on the Parity Reserve Account or any other Special Reserve Account.

Each Parity Debt Resolution may provide for the creation of such funds and accounts as it may determine, including, without limiting the generality of the foregoing, an account for the payment of interest, an account or accounts for the payment of principal, whether at maturity or pursuant to an amortization requirement, or a debt service reserve account, which may be the Parity Reserve Account or a Special Reserve Account. A Parity Debt Resolution may provide that the Parity Debt authorized thereby may be additionally secured by the Parity Reserve Account or a Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Parity Debt. If any Parity Debt is secured by a Special Reserve Account or is not secured by any debt service reserve fund or account, such Parity Debt shall have no claim on the Parity Reserve Account.

Other Funds. A Project Fund and an Insurance and Condemnation Award Fund, each to be held by the Trustee, and a Capital Reserve Fund to be established with and held by a Depositary selected by the City, are created under the Trust Agreement. See “**--Establishment of Funds**” in Appendix C.

APPLICATION OF RECEIPTS

The City will pay Current Expenses from Receipts deposited in the Revenue Fund, and Current Expenses will be a first charge against the Revenue Fund; provided, however, that the City may pay Current Expenses from any other legally available sources. Current Expenses will be paid as they become due and payable in conformity with the City’s applicable budgetary and payment procedures. At such time or times as are specifically provided for in the Trust Agreement or in any Supplemental Agreement, Parity Debt Resolution, Derivative Agreement or Subordinated Indebtedness Resolution, the City will use amounts on deposit in the Revenue Fund to make the required deposits under such documents.

The First Supplemental Trust Agreement provides that, with respect to the 2018 Bonds, the City will deposit with the Trustee from moneys held in the Revenue Fund the following amounts for application in the following order:

- (a) into the Series 2018 Subaccount of the Interest Account, on the 25th day of the month immediately preceding each Interest Payment Date, the amount required to pay the interest due on the 2018 Bonds on such Interest Payment Date;
- (b) into the Series 2018 Subaccount of the Principal Account, on the 25th day of the month immediately preceding each March 1, the amount required to pay the principal of all Serial Bonds coming due on such March 1;
- (c) into the Series 2018 Subaccount of the Sinking Fund Account, on the 25th day of the month immediately preceding each March 1, the amount required to retire the Term Bonds to be called by mandatory redemption or to be paid at maturity on such March 1 in accordance with the Sinking Fund Requirement therefor.

The deposits required by the Seventh Supplemental Trust Agreement mentioned above are subject to the provisions of the Trust Agreement which provides that the City will deposit from moneys held in the Revenue Fund the following amounts, for application in the following manner and order:

(a) At such time or times as provided in any Parity Resolution or Derivative Agreement, the City shall (1) deliver to the Trustee the amounts required by any Supplemental Agreement for deposit in the appropriate subaccounts of the Interest Account, (2) pay the Person entitled thereto the amounts required by any Parity Debt Resolution for the payment of interest on Parity Debt and (3) pay the Person entitled thereto the amount of any Derivative Agreement Parity Payments required by any Derivative Agreement to be paid by the City, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Parity Debt Resolutions or Derivative Agreements ratably according to the amount so required to be deposited or paid.

(b) At such time or times as provided in any Parity Resolution, the City shall (1) deliver to the Trustee the amounts required by any Supplemental Agreement for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account and (2) pay the Person entitled thereto the amounts required by any Parity Debt Resolution for the payment of principal on Parity Debt, whether at maturity or pursuant to an amortization requirement, for deposit with or payment to the appropriate Persons designated in such Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to each such subaccount of the Principal Account and the Sinking Fund Account and to each appropriate Person designated in such Parity Debt Resolutions ratably according to the amount so required to be deposited or paid.

(c) At such time or times as provided in any Parity Resolution, if the amount in the Parity Reserve Account is less than the Parity Reserve Account Requirement or the amount in any Special Reserve Account is less than the applicable Special Reserve Account Requirement, the City shall (1) deliver to the Trustee the amounts required by this Trust Agreement to make up any deficiency in the Parity Reserve Account for deposit in the Parity Reserve Account and (2) deliver to the Trustee or other appropriate Person the amounts required by any Supplemental Agreement or Parity Debt Resolution to make up any deficiencies in any Special Reserve Account for deposit in such Special Reserve Accounts or payment to the appropriate Persons designated in such Supplemental Agreements or Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Parity Reserve Account and each Special Reserve Account ratably according to the amount so required to be deposited or paid. If a deficiency exists in the Parity Reserve Account, it shall be made-up under this subsection in accordance with the provisions of Section 508. If a deficiency exists in any Special Reserve Account, it shall be made-up under this subsection in accordance with the provisions of the Parity Resolution creating such Special Reserve Account.

(d) At such time or times as provided in any Subordinated Indebtedness Resolution or Derivative Agreement, the City shall (1) pay the Person entitled thereto the amounts required by any Subordinated Indebtedness Resolution for the payment of interest on Subordinated Indebtedness and (2) pay the Person entitled thereto the amount payable under any Derivative Agreement relating to Subordinated Indebtedness required by such Derivative Agreement to be paid by the City on a parity with interest payments on Subordinated Indebtedness, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each appropriate Person designated in such Subordinated Indebtedness Resolutions or Derivative Agreements ratably according to the amount so required to be paid.

(e) At such time or times as provided in any Subordinated Indebtedness Resolution, the City shall pay the Person entitled thereto the amounts required by any Subordinated Indebtedness Resolution for the payment of principal on Subordinated Indebtedness, whether at maturity or pursuant to an amortization requirement, for deposit with or payment to the appropriate Person designated in such Subordinated Indebtedness Resolution, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each appropriate Person designated in such Subordinated Indebtedness Resolutions ratably according to the amount so required to be paid.

(f) At such time or times as provided in any Subordinated Indebtedness Resolutions, if the amount on deposit in any debt service reserve fund securing Subordinated Indebtedness is less than the applicable requirement therefor, the City shall deliver to the appropriate Person the amounts required by any Subordinated Indebtedness Resolution to make up any deficiencies in such debt service reserve fund for deposit in such debt service reserve fund, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each Person designated in the Subordinated Indebtedness Resolutions ratably according to the amount so required to be paid.

(g) As long as System G.O. Indebtedness is outstanding, the City, in its sole discretion, may pay interest on and principal of System G.O. Indebtedness as the same become due and payable.

(h) As long as installment purchase, lease purchase, conditional sale or other similar types of indebtedness incurred to finance all or any part of the System are outstanding, the City, in its sole discretion, may pay interest on and principal of such indebtedness, or corresponding installment, lease or other similar type payments, as the same become due and payable.

(i) Beginning on July 25 of each Fiscal Year, and thereafter on the 25th day of each month, the City shall deposit to the credit of the Capital Reserve Fund one-twelfth (1/12) of the total amount, if any, required to be deposited therein in such Fiscal Year as set forth in the Annual Budget.

To the extent permitted by law, and except during the continuation of an Event of Default, the City may, in its discretion, transfer in any month any balance remaining in the Revenue Fund at the end of the preceding month after making all deposits or payments delineated in (a) – (i) of this Section above, inclusive, in whole or in part, to the General Fund or any other fund or account designated by the City, provided that (a) an Authorized Officer shall first certify to the Trustee in an Officer’s Certificate that, in his or her opinion, the transfer of such amount will not have a material adverse effect on the City’s ability over the next twelve calendar months to pay the Current Expenses, to make all deposits and to meet all other financial obligations required and imposed by the Trust Agreement or any Parity Resolution and (b) the cumulative amount so transferred in any Fiscal Year shall not exceed the total amount budgeted to be transferred from the Revenue Fund in such Fiscal Year as shown in the Annual Budget for such Fiscal Year. ANY FUNDS SO TRANSFERRED, OTHER THAN TRANSFERS MADE TO ANY ACCOUNT OR SUBACCOUNT OF THE BOND FUND, SHALL NO LONGER BE SUBJECT TO THE PLEDGE, CHARGE AND LIEN UPON THE NET RECEIPTS CREATED BY THIS TRUST AGREEMENT.

PARITY INDEBTEDNESS AND SUBORDINATED INDEBTEDNESS

Under the conditions and limitations set forth in the Trust Agreement and without the approval or consent of the Owners or Holders of Indebtedness, the City may issue or incur additional Parity Indebtedness secured by a pledge, charge and lien upon the Net Receipts on a parity with the 2018 Bonds. See “--**Limitation on Parity Indebtedness**” in Appendix C.

Under the conditions and limitations set forth in the Trust Agreement and without the approval or consent of the Owners or Holders of Indebtedness, the City may issue or incur Subordinated Indebtedness which shall be subordinate and junior in right of payment to the prior payment in full of Parity

Indebtedness to the extent and in the manner set forth in the Trust Agreement and that may be made payable from Net Receipts but only after the City has made deposits required under the Trust Agreement to pay, among other things, principal of and interest on the 2018 Bonds and any other Parity Indebtedness, and the amounts required by the related documentation to make up any deficiencies in the Parity Reserve Account or any Special Reserve Account. See “--**Limitation on Subordinated Indebtedness**” in Appendix C.

The City has received approval for not to exceed \$16,000,000 in State Revolving Loans (“*SRL*”) from the State of North Carolina, which will be designated as Subordinated Indebtedness under the Trust Agreement. These funds will be used, in addition to proceeds of the 2018 Bonds, to finance the Project.

RATE COVENANT

Under the Trust Agreement, the City has covenanted as follows:

(a) The City covenants to fix, charge and collect rates, fees, rentals and charges for the use of and for services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that for the Fiscal Year ending June 30, 2018, and for each Fiscal Year thereafter, the sum of (i) the Income Available for Debt Service for such Fiscal Year and (ii) 15% of the Unrestricted Net Position as of the last day of the immediately preceding Fiscal Year will be not less than 120% of the Long-Term Debt Service Requirement for Parity Indebtedness only for such Fiscal Year.

(b) The City covenants to fix, charge and collect rates, fees, rentals and charges for the use of and for services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that for the Fiscal Year ending June 30, 2018, and for each Fiscal Year thereafter, the Income Available for Debt Service for such Fiscal Year will be not less than 100% of the sum of the Long-Term Debt Service Requirement for Parity Indebtedness and Subordinated Indebtedness and the debt service on System G.O. Indebtedness for such Fiscal Year.

(c) In addition to the covenant set forth in subsections (a) and (b) of this Section, the City also covenants, beginning on the date of issuance of the 2018 Bonds, to fix, charge and collect rates, fees, rentals and charges for the use of and for the services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that the Receipts will be sufficient in each Fiscal Year thereafter (i) to pay Current Expenses, (ii) to make the cash deposits in each Fiscal Year required by Trust Agreement and (iii) to make the cash deposits in each Fiscal Year required by Subordinated Indebtedness Resolutions with respect to the payment of interest on or principal of Subordinated Indebtedness.

(d) The City covenants that all users will pay for services at the rates, fees and charges established by the City from time to time in accordance with the City’s customary billing practices and policies.

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DEBT SERVICE REQUIREMENTS

The following table presents information on the City’s debt service obligations on the 2018 Bonds and other obligations of the City, the proceeds from which were applied to improvements to the System and the principal of and interest on which are payable from (but not in all cases secured by) the Net Receipts of the System.

FISCAL YEAR ENDING JUNE 30	2018 BONDS			TOTAL
	PRINCIPAL	INTEREST	SYSTEM G.O. INDEBTEDNESS ¹	
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
TOTAL				

Note: Totals may not foot due to rounding.

¹Principal and interest requirements on the City’s \$[] System G.O. Indebtedness as of June 30, 2017. Such obligations are paid by the City from the Net Receipts after payment of debt service on Parity Indebtedness and Subordinated Indebtedness, but are not secured by the Net Receipts.

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THE STORMWATER FACILITIES

The City provides various stormwater services to residents within its incorporated limits. As of June 30, 2017, the City had approximately 40,313 stormwater accounts.

ORGANIZATION AND MANAGEMENT

The Stormwater Management Program (the “*Program*”) is administered by the Engineering, Street and Stormwater Maintenance Division of the City’s Public Works Department. The City’s Public Works Department also consists of the following divisions: Transit (Greenville Area Transit (“*GREAT*”), Sanitation, Fleet Maintenance, Building and Grounds, Traffic Services and Administration. As of June 30, 2017, the Stormwater Services Division had two full-time employees and 19 part-time employees. The City’s Financial Services Department provides for the billing and collection of fees for all stormwater services provided by the Stormwater Maintenance Division.

As a department of the City, the Public Works Department is under the administrative control of the City Manager. The Public Works Director is the chief administrator of the Program and reports directly to the City Manager.

Ann E. Wall is the City Manager of Greenville, North Carolina. Ms. Wall has held this position since August 1, 2017. Prior to joining the City of Greenville, Ms. Wall served as Assistant City Manager for the City of Charlotte for three years. She has a master's degree in Public Administration from the University of North Carolina at Chapel Hill and a bachelor's degree in City Planning from the University of Virginia. Ms. Wall is a member of the International City/County Management Association and the North Carolina League of Municipalities where she serves on the Planning and Environment Legislative Action Committee.

Bernita W. Demery, CPA is the City’s Director of Financial Services. Ms. Demery has been an employee of the City since 1988. In such capacity, she supervises the areas of economic and capital improvement financial planning, investment and debt management, accounting, budget, payroll, centralized purchasing, collections, grants management and Minority/Women Business Enterprise Program development. Ms. Demery holds a Bachelors of Science Degree in Accounting from North Carolina Agricultural and Technical State University and a Masters in Business Administration from East Carolina University. In 2008, the North Carolina Association of Certified Public Accountants (“*NCACPA*”) elected her to fill one of eight positions on the NCACPA Board of Directors.

Kevin Mulligan is the City’s Public Works Department Director. Mr. Mulligan has held this position since December, 2012. In this capacity, Mr. Mulligan supervises the Operations, Engineering, Transit and Solid Waste Divisions of the Department. Operations include Administration, Fleet Maintenance, Buildings and Grounds, Streets and Storm water Maintenance. Engineering includes Civil, Traffic and Stormwater Engineering as well as management of capital projects and development review. Solid Waste and Stormwater are City enterprise funds – the funds collected through the utility fund, operations and capital projects for the City. Prior to joining the City of Greenville, Mr. Mulligan served as a Public Works Director in Long Beach, New York and was the Capital Projects Manager for Nassau County, NY. Mr. Mulligan managed approximately \$200M in capital projects annually for Nassau County, NY. Mr. Mulligan has a Masters and Bachelors in Civil Engineering from Manhattan College. He is also a Professional Engineer.

STORMWATER PROGRAM AND FACILITIES

In late 2002, the City adopted regulations that established the System which became effective July 1, 2003. Revenue generated by the System is used to support the Program, which includes

compliance with the Tar-Pamlico Nutrient Management State Regulations and the Federal National Pollutant Discharge Elimination System Regulations for water quality. It also provides for the maintenance of the City's drainage system such as pipes and ditches, protection of properties from flooding, protection of streams and wetlands from erosion and pollution, capital investments for the drainage system as it ages and the rehabilitation and upgrading of existing stormwater resources and infrastructure.

In August of 2016, the City's Public Works Department completed stormwater master planning for the seven basins located within the City. These projects are being undertaken to assist with maintenance activities, assess capital improvement project needs, meet state and federal stormwater requirements and aid in quality assurance of new/re-development efforts in the City. Below are brief descriptions of each of the seven projects:

(a) *Parker Creek/Johnson's Mill Run Watershed Master Plan.* The Parker Creek and Johnson's Mill Run watersheds (collectively, the "PC/JMR Watershed") is a combination of two watersheds each draining to the Tar River from north to south. The goals of this master plan included: (1) evaluation of the watershed for existing flooding, water quality, and erosion problems; (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and to reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the PC/JMR Watershed.

(b) *Hardee Creek Watershed Master Plan.* The Hardee Creek watershed is located in the eastern portion of the City and generally drains south to north discharging to the Tar River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the Hardee Creek Watershed.

(c) *Meetinghouse Watershed Master Plan.* The Meetinghouse Branch and Bells Branch watersheds (collectively, the "Meetinghouse Watershed") is located in the western portion of the City and generally drains from south to north discharging to Hardee Creek and ultimately to the Tar River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the Meetinghouse Watershed.

(d) *Fork Swamp Watershed Master Plan.* The Fork Swamp watershed is located in the south central portion of the City and generally drains north to south ultimately discharging to the Neuse River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the Fork Swamp Watershed.

(e) *Swift Creek Watershed Master Plan.* The Swift Creek watershed is located in the southwestern corner of the City and generally drains north to south ultimately discharging to the Neuse River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the Swift Creek Watershed.

(f) *Green Mills Run Watershed Master Plan.* The Green Mills Run watershed is located centrally within the City, contains much of downtown and ECU and generally drains from west to east discharging directly into the Tar River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the Green Mills Run Watershed.

(g) *Swift Creek Watershed Master Plan.* The Harris Mill Run, Schoolhouse Branch, Sains Branch and Sams Branch watersheds (collectively, the “*HMR/SHB Watershed*”) is located in the northern portion of the City along the south side of the Tar River and drains from west to east (Harris Mill Run and Schoolhouse Branch) as well as south to north (Sains and Sams Branch) discharging into the Tar River. The goals of the master plan included: (1) evaluation of the existing flooding, water quality and erosion issues, (2) recommendations for and prioritization of capital improvements to control existing flooding by reducing the frequency and severity of flooding for property owners, and (3) identification of stream stabilization projects to reduce the risk of property loss along streams and reduce sediment loads as a result of erosion. To assist in achieving the goals listed above, the City also completed a stormwater infrastructure inventory for drainage structures and features within the HMR/SHB Watershed.

ENVIRONMENTAL COMPLIANCE

All of the City's stormwater programs are in compliance in all material respects with the National Pollutant Discharge Elimination System (“*NPDES*”) permit requirements. The State approved a renewal of the City's NPDES permit effective February 20, 2017.

In addition, the City is located in a Nutrient Sensitive Waters (“*NSW*”) basin. The rule became effective April 1, 2001 and requires regulation of nitrogen and phosphorus exports from development within the city limits and extra-territorial jurisdiction.

MAJOR CUSTOMERS

The following table presents information on the ten largest customers for the System during the fiscal year ended June 30, 2017.

<u>CUSTOMER</u>	<u>IMPERVIOUS AREA IN SQUARE FEET</u>	<u>ANNUAL REVENUES</u>
Pitt Greenville Airport	4,910,000	\$157,611
East Carolina University, Memorial Drive	3,442,492	110,552
East Carolina University, Ficklen Drive	3,094,876	99,382
City of Greenville	2,645,213	84,937
Greenville Utilities	2,397,548	76,976
Vidant Health	2,301,511	73,894
JH Rose High School	961,922	30,880
East Carolina University, Moye Blvd	921,860	29,596
Pitt Co Schools	870,870	27,991
Walmart Store 1370	844,133	27,157

STORMWATER FEES

All residential customers are charged a stormwater services fee. As of July 1, 2017, the fee is \$5.35 for every 2,000 square feet of impervious area which is located on the property. Residential properties (single-family and duplexes) fall in one of the following four tiers:

<u>TIER</u>	<u>MONTHLY FEE</u>	<u>IMPERVIOUS AREA (SF)</u>
I	\$5.35	200 - 2000
II	\$10.70 (2 x base)	2001 - 4000
III	\$16.05 (3 x base)	4001 - 6000
IV	\$21.40 (4 x base)	6000+

All non-residential customers are charged a stormwater services fee. Non-residential properties are all properties other than single-family and duplexes. As of July 1, 2017, the fee is \$5.35 for every 2,000 square feet of impervious cover existing on the property per month. Example:

$$100,000 \text{ sf} / 2,000 \text{ sf} = 50 \text{ ERU}$$

$$50 \text{ ERU} \times \$5.35 \text{ per month} = \$267.50 \text{ per month for the stormwater utility fee}$$

STORMWATER RATE CHANGES

The following is a summary of the changes to the monthly stormwater utility fee for the following fiscal years ending June 30:

<u>FISCAL YEAR ENDING JUNE 30</u>	<u>MONTHLY RATE</u>	<u>CHANGE</u>
2015	\$3.85	\$0.50
2016	4.35	0.50
2017	4.85	0.50
2018	5.35	0.50

REVENUE AND NUMBER OF ERUS

The following table provides information on the Revenue and number of ERUs at the end of each of the last five fiscal years ended June 30, 2017.

AT JUNE 30	STORMWATER REVENUE	PERCENTAGE INCREASE	NUMBER OF ERUS
2013	\$3,117,169	--	1,093,744
2014	3,670,013	17.74%	1,095,526
2015	4,354,309	18.65	1,130,990
2016	4,904,736	12.64	1,127,526
2017	5,536,989	12.89	1,141,647

BILLING AND COLLECTION PROCEDURES

The Collections Division of the City's Financial Services Department is responsible for the collection and processing of all revenue amounts due the City for the sales and services provided by all City departments, including the System. Stormwater fees are collected from customers by Greenville Utilities Company as part of city resident's water bills. The fees are then transferred to the City and processed by the Collections Division.

BUDGET PROCEDURES

Operating and capital budgets for the Engineering, Street and Stormwater Maintenance Division of the City's Public Works Department are formulated in the same manner as other City departments. The Public Works Director prepares an initial budget request. The City Manager reviews and may revise the submitted budget request, and incorporates the request into the overall budget submitted to the City Council for its consideration. The City Council, with the assistance of an eleven-member Stormwater Advisory Committee, has adopted a stormwater fee rate methodology which provides for the setting of rates based on the size of the capital program, operating budget, maintenance of adequate working capital and debt service reserves.

CAPITAL IMPROVEMENT PROGRAM AND FUTURE RATE INCREASES

A five-year stormwater plan was developed to address stormwater needs on a City-wide basis. This plan incorporates the recently completed basin modeling study, a significant investment in the Town Creek Culvert project, and a reliable funding source for other stormwater servicing needs. The stormwater utility fees are projected to generate revenues of \$5,928,998 for the fiscal year ending June 30, 2018. The basin modeling study identified approximately \$100 million in capital projects over the next 20 years in order to address drainage concerns. This level of future capital projects will require a significant increase in funding, above that included in the fee structure for the fiscal year ending June 30, 2018, in order to complete. A citizen's committee is currently working with the Public Works Department in developing a list of recommended stormwater projects for City Council's consideration for funding.

STORMWATER MANAGEMENT PROJECTS

PROJECT NAME	FUNDING	2018-19	2019-20	2020-21	2021-22	2022-23
Storm Water Maintenance Improvements	Pay-As-You-Go	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$1,500,000	\$ 1,500,000
Storm Water Camera Truck	Pay-As-You-Go	\$ 125,000				
Town Creek Culvert Drainage Project	2018 Bonds Pay-As-You-Go State Revolving Loan	\$ 12,000,000	\$12,000,000	\$ 6,000,000		
Stream Bank Stabilization	Pay-As-You-Go	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Elm Street Drainage Project	Pay-As-You-Go	\$ 1,240,000	\$ 2,070,000			
Harding St./Park Drive Drainage Project	Pay-As-You-Go	\$ 1,240,000				
St. Andrews Ditch Stabilization Project	Pay-As-You-Go		\$ 790,000	\$ 2,640,000		

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FINANCIAL SCHEDULES**HISTORICAL FINANCIAL INFORMATION**

The following table prepared by the City summarizes certain historical financial information related to the System:

	FISCAL YEAR ENDED JUNE 30				
	2013	2014	2015	2016	2017
Revenues					
Operating	\$3,117,169	\$3,670,013	\$4,354,309	\$4,904,736	\$5,536,989
Total Revenues	\$3,117,169	\$3,670,013	\$4,354,309	\$4,904,736	\$5,536,989
Current Expenses					
Personnel	1,696,696	1,602,482	1,261,563	1,296,197	1,250,487
Operations and Maintenance	406,057	403,209	432,004	504,302	449,323
[Capital Outlay]	660,388	134,342	116,439	171,401	109,300
Indirect Cost Reimbursement	265,531	265,531	406,056	406,056	406,056
Total Current Expenses	\$3,028,672	\$2,405,564	\$2,216,062	\$2,377,956	\$2,215,166
Income Available for Debt Service	\$88,497	\$1,264,449	\$2,138,247	\$2,526,780	\$3,321,823
Debt Service – GO Bonds	\$333,459	\$388,618	\$378,791	\$298,818	\$388,434
Total Debt Service	\$333,459	\$388,618	\$378,791	\$298,818	\$388,434
Total Debt Service Coverage	0.27	3.25	5.64	8.46	8.55

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PROJECTED FINANCIAL INFORMATION

The following table prepared by the City summarizes certain projected financial information related to the System:

	FISCAL YEAR ENDING JUNE 30				
	2018	2019	2020	2021	2022
Revenues:					
Operating	\$5,928,998	\$5,988,288	\$6,048,171	\$6,108,653	\$6,169,739
Total Revenues	\$5,928,998	\$5,988,288	\$6,048,171	\$6,108,653	\$6,169,739
Current Expenses:					
Personnel	1,239,810	1,277,004	1,315,314	1,354,773	1,395,417
Operations and Maintenance	1,390,524	1,186,191	1,186,573	1,187,663	1,187,663
[Capital Outlay]	500,000	500,000	500,000	500,000	500,000
Indirect Cost Reimbursement	406,056	406,056	406,056	406,056	406,056
Total Current Expenses	\$3,536,390	\$3,369,251	\$3,407,943	\$3,448,492	\$3,489,136
Income Available for Debt Service	\$2,392,608	\$2,619,037	\$2,640,228	\$2,660,161	\$2,680,603
Debt Service – Parity Indebtedness		\$887,512	\$889,912	\$891,712	\$889,462
Debt Service – Subordinate Indebtedness		800,000	800,000	800,000	800,000
Debt Service – GO Bonds	\$445,027	434,018	419,233	429,602	389,628
Total Debt Service	\$445,027	\$2,121,530	\$2,109,145	\$2,121,314	\$2,079,090
Parity Indebtedness Coverage	N/A	2.95	2.97	2.98	3.01
Total Debt Service Coverage	5.38	1.23	1.25	1.25	1.29
Unrestricted Net Position	\$4,917,219	\$4,917,219	\$4,917,219	\$4,917,219	\$4,917,219
15% of Unrestricted Net Position	737,583	737,583	737,583	737,583	737,583
Income Available for Debt Service with 15% of Unrestricted Net Position	\$3,130,191	\$3,356,620	\$3,377,811	\$3,397,744	\$3,418,186
Parity Indebtedness Coverage with 15% Unrestricted Net Position	N/A	3.78	3.80	3.81	3.84
Total Debt Service Coverage with 15% Unrestricted Net Position	7.03	1.58	1.60	1.60	1.64

LEGAL MATTERS**LITIGATION**

No litigation is now pending or, to the best of the City's knowledge, after reasonable investigation, threatened, against or affecting the City which seeks to restrain or enjoin the authorization, execution or delivery of the 2018 Bonds, the Trust Agreement or the First Supplemental Trust Agreement, or which contests the validity or the authority or proceedings for the adoption, authorization, execution or delivery of the 2018 Bonds, or the City'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 City's authorization, execution and delivery of the Trust Agreement, the First Supplemental Trust

Agreement or the 2018 Bonds, or the City's authority to carry out its obligations thereunder, or which would have a material adverse impact on the City's condition, financial or otherwise.

OPINIONS OF COUNSEL

All legal matters related to the authorization, execution, sale and delivery of the 2018 Bonds are subject to Bond Counsel's approval. The proposed form of Bond Counsel's opinion is included as Appendix D. Certain legal matters will be passed upon for the City by the City Attorney and for the Underwriter by its counsel.

TAX TREATMENT

OPINION OF BOND COUNSEL

In the opinion of Bond Counsel, under existing law and assuming continuing compliance by the City with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), regarding, among other matters, use, expenditure and investment of proceeds of the 2018 Bonds, and the timely payment of certain investment earnings to the United States Treasury, interest on the 2018 Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation. Bond Counsel is also of the opinion that interest on the 2018 Bonds will not be a specific preference item for purposes of the alternative minimum tax imposed by the Code on corporations and other taxpayers, including individuals; provided, however, such interest will be includable in determining adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed by the Code on corporations. Bond Counsel is also of the opinion, under existing law, that interest on the 2018 Bonds will be exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which Bond Counsel renders no opinion, as a result of the ownership or transfer of the 2018 Bonds or the inclusion in certain computations of interest that is excluded from gross income for purposes of federal and North Carolina income taxation.

ORIGINAL ISSUE PREMIUM

The initial public offering prices of the 2018 Bonds maturing on December 1, _____ (collectively, the "*Premium Bonds*") are greater than the amounts payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) at which a substantial amount of each maturity of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium. In general, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period and subtract such bond premium from the owner's basis in such Premium Bond. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the

owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost.

Owners and prospective purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences in connection with the ownership and disposition of Premium Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2018 Bonds maturing on December 1, _____ (collectively, the "*Discount Bonds*"), are less than the amounts payable at maturity. An amount not less than the difference between the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) of the Discount Bonds and the amounts payable at maturity constitutes original issue discount. Under existing federal income tax law and regulations, the original issue discount on a Discount Bond is interest not includable in the gross income of an owner who purchases such Discount Bond in the original offering at the initial public offering price thereof and holds it to maturity, and such owner will not realize taxable gain upon payment of such Discount Bond at maturity. Owners who purchase Discount Bonds at a price other than the initial offering price or who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the consequences of the ownership of such Discount Bonds. An owner who purchases a Discount Bond in the initial offering at the initial offering price and holds such Discount Bond to maturity is deemed under existing federal tax laws and regulations to accrue original issue discount on a constant yield basis under Section 1288 of the Code from the date of original issue. An owner's adjusted basis in a Discount Bond is increased by accrued original issue discount for purposes of determining gain or loss on sale, exchange or other disposition of such Discount Bond. Accrued original issue discount may be taken into account as an increase in the amount of tax-exempt interest received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond, including in the calculation of adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed by the Code on corporations, even though there will not be a corresponding cash payment.

Owners and prospective purchasers of Discount Bonds should consult their own tax advisors regarding the calculation of accrued original issue discount for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the ownership or disposition of Discount Bonds.

OTHER TAX CONSEQUENCES

Ownership or transfer of, or the accrual or receipt of interest on, the 2018 Bonds may result in collateral federal, State of North Carolina, other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Prospective purchasers of the 2018 Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Bond Counsel expresses no opinion regarding any such collateral tax consequences.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not

contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the 2018 Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the “*Service*”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2018 Bonds.

Interest paid on tax-exempt obligations, such as the 2018 Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest with respect to the 2018 Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest with respect to the 2018 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Service.

LEGALITY FOR INVESTMENT

Section 159-140 of the General Statutes of North Carolina provides that the 2018 Bonds are securities in which all public officers and public bodies of the State of North Carolina and its political subdivisions and agencies and insurance companies, trust companies, investment companies, banks, savings banks, building and loan associations, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State of North Carolina, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, and the 2018 Bonds are securities that may properly and legally be deposited with and received by any State of North Carolina or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is now or may hereafter be authorized by law.

CONTINUING DISCLOSURE OBLIGATION

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (“*Rule 15c2-12*”), the City has undertaken in the First Supplemental Trust Agreement to provide to the Municipal Securities Rulemaking Board (“*MSRB*”):

(1) by not later than seven months after the end of each fiscal year, beginning with the fiscal year ending June 30, 2018, the audited financial statements of the City 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 ending June 30, 2018, (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 under the captions “**THE STORMWATER FACILITIES—STORMWATER FEES,**” “**—REVENUE AND NUMBER OF ERUS,**” and “**—MAJOR CUSTOMERS**” herein (excluding any information for overlapping units);

(3) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the 2018 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 credit enhancements reflecting financial difficulties;
- (e) Substitution of 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 2018 Notes, or other material events affecting the tax status of the 2018 Bonds;
- (g) Modifications to rights of the Beneficial Owners of the 2018 Bonds, if material;
- (h) Call of any of the 2018 Bonds, if material, and tender offers;
- (i) Defeasance of any of the 2018 Bonds;
- (j) Release, substitution, or sale of property securing repayment of the 2018 Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the City;
- (m) The consummation of a merger, consolidation, or acquisition involving the City 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 any such actions, other than pursuant to its terms, if material; and
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

The City may provide required annual financial information described in (1) and (2) above by specific reference to the documents previously provided to the MSRB or filed with the SEC; provided, however that any final official statement incorporated by reference must be available from the MSRB.

At present, Section 159-34 of the General Statutes of North Carolina, as amended, requires the County’s financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

The First Supplemental Trust Agreement also provides that the City’s undertaking pursuant to Rule 15c2-12 is intended to be for the benefit of the registered owners and the Beneficial Owners of the 2018 Bonds and is enforceable by any of the registered owners and Beneficial Owners of the 2018 Bonds, including an action for specific performance of the City’s obligations described in this Section, but a failure to comply will not be an Event of Default under the Trust Agreement or the First Supplemental Trust Agreement and will not result in acceleration of the payment of the 2018 Bonds. An action must be

instituted, had and maintained in the manner provided in the First Supplemental Trust Agreement for the benefit of all of the registered owners and Beneficial Owners of the 2018 Bonds.

With respect to certain of the City's undertakings pursuant to Rule 15c2-12, the City did not file certain annual financial information on a timely basis. Certain budget information for the fiscal years ended June 30, 2012, 2013 and 2014 were filed on November 10, 2014. Additionally, the audited financial statements for the fiscal year ended June 30, 2013 were filed on February 11, 2014. In addition, in the last five years, there have been changes to the credit ratings on the bonds of the Utilities Commission and City, both resulting from underlying credit rating upgrades and also on account of changes to the credit rating of credit enhancers providing bond insurance for such bonds. The City filed notices of such rating changes with EMMA; however, the period within which such notices were filed following the occurrence of the rating change varied from four weeks to six months. Except as described above, in the last five years, the has materially complied with their undertakings under Rule 15c2-12.

MISCELLANEOUS

RATINGS

[Moody's Investors Service ("Moody's")/S&P Global Ratings ("S&P")], has assigned the 2018 Bonds a rating of "___". Such rating reflects only view of [Moody's/S&P] at the time the rating was given, and neither the City nor the Underwriter make any representations as to the appropriateness of such rating. The rating is not a recommendation to buy, sell, or hold the 2018 Bonds and should be evaluated independently. There is no assurance that such rating will not be withdrawn or revised downward by [Moody's/S&P]. Any such action may have an adverse effect on the market price of the 2018 Bonds. Neither the City nor the Underwriter have taken undertaken any responsibility after the execution and delivery of the 2018 Bonds to assure maintenance of the rating or to oppose any such revision or withdrawal. [Will adjust language if we use more than one rating agency]

UNDERWRITING

The Underwriter is offering the 2018 Bonds pursuant to a firm underwriting contract. The Underwriter has agreed to purchase the 2018 Bonds at a price of \$_____, which is equal to the par amount of the 2018 Bonds [plus/less] net original issue [premium/discount] of \$_____, less an Underwriter's discount of \$_____. The Underwriter's contract is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter may offer and sell the 2018 Bonds to certain dealers (including dealers depositing the 2018 Bonds into investment trusts) and others at prices different from the public offering prices shown on the cover. The Underwriter may change the public offering prices from time to time at their discretion.

RELATIONSHIPS AMONG PARTIES

Womble Bond Dickinson (US) LLP serves as Bond Counsel for the City and, from time to time it and Parker Poe Adams & Bernstein LLP, counsel to the Underwriter, have represented the Underwriter as counsel in other financing transactions. Neither the City nor the Underwriter has conditioned the future employment of either of these firms in connection with any proposed financing issues for the City or for the Underwriter on the successful issuance of the 2018 Bonds.

APPROVAL

The LGC and the City have each duly authorized the execution and delivery of this Official Statement.

Members of the LGC staff have participated in the preparation of this Official Statement and other documents related to the issuance of the 2018 Bonds, but the LGC and its staff assume no responsibility for the accuracy or completeness of any representation or statement in this Official Statement, other than those in Appendix E.

APPENDIX A

THE CITY OF GREENVILLE, NORTH CAROLINA

APPENDIX B

THE CITY OF GREENVILLE, NORTH CAROLINA

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

APPENDIX C
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

APPENDIX E

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

APPENDIX E

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

The Local Government Commission is composed of nine members: The State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue and five others by appointment (three by the Governor, one by the General Assembly upon recommendation of the President Pro Tempore of the Senate and one by the General Assembly upon recommendation of the Speaker of the House of Representatives). The State Treasurer serves as Chairman and selects the Secretary of the Local Government Commission, who heads the administrative staff serving the Local Government Commission.

A major function of the Local Government Commission is the approval, sale and delivery of all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by The Local Government Budget and Fiscal Control Act. In addition, the Local Government Commission furnishes, upon request, on-site assistance to units of local government concerning existing financial and accounting systems as well as aid in establishing new systems. Further, educational programs and materials are provided for local officials concerning finance and cash management.

Before any unit of local government can incur bonded indebtedness, the Local Government Commission must approve the proposed bond issue. In determining whether to give such approval the Local Government Commission may consider, among other things, the unit's debt management procedures and policies, its compliance with The Local Government Budget and Fiscal Control Act, and its ability to service the proposed debt. The Local Government Commission maintains records for all units of local government of principal and interest payments coming due on bonded indebtedness in the current and future years and monitors the payment by the units of local government of their debt service through a system of monthly reports.

As a part of its role in assisting and monitoring the fiscal programs of units of local government, the Local Government Commission attempts to ensure that the units of local government follow generally accepted accounting principles, systems and practices. The Local Government Commission's staff also counsels the units of local government in treasury and cash management, budget preparation, and investment policies and procedures. Educational programs, in the form of seminars or classes, are also provided by the Local Government Commission in order to accomplish these tasks. The monitoring of the financial systems of units of local government is accomplished through the examination and analysis of the annual audited financial statements and other required reports. The Local Government Budget and Fiscal Control Act requires each unit of local government to have its accounts audited annually by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts. A written contract must be submitted to the Secretary of the Local Government Commission for his approval prior to the commencement of the audit.

The Local Government Commission has the statutory authority to impound the books and records of any unit of local government and assume full control of all its financial affairs (a) when the unit defaults on any debt service payment or, in the Local Government Commission's opinion, will default on a future debt service payment if the financial policies and practices of the unit are not improved or (b) when the unit persists, after notice and warning from the Local Government Commission, in willfully or negligently failing or refusing to comply with the provisions of The Local Government Finance Act. When the Local Government Commission takes action under this authority, the Local Government Commission is vested with all of the powers of the governing board of the unit of local government as to the levy of taxes, expenditure of money, adoption of budgets and all other financial powers conferred upon the governing board by law.

In addition, if a unit of local government fails to pay any installment of principal or interest on its outstanding debt on or before its due date and remains in default for 90 days, the Local Government Commission may take such action as it deems advisable to investigate the unit's fiscal affairs, consult with its governing board and negotiate with its creditors in order to assist the unit in working out a plan for refinancing, adjusting or compromising such debt. When a plan is developed that the Local Government Commission finds to be fair and equitable and reasonably within the ability of the unit of local government to meet, the Local Government Commission is authorized to enter an order finding that the plan is fair, equitable and within the ability of the unit to meet and to advise the unit to take the necessary steps to implement such plan. If the governing board of the unit declines or refuses to do so within 90 days after receiving the Local Government Commission's advice, the Local Government Commission may enter an order directing the unit to implement such plan and may apply for a court order to enforce such order. When a refinancing plan has been put into effect, the Local Government Commission has the authority (a) to require any periodic financial reports on the unit's financial affairs that the Secretary deems necessary and (b) to approve or reject the unit's annual budget ordinance. The power and authority granted to the Local Government Commission as described in this paragraph will continue with respect to a defaulting unit of local government until the Local Government Commission is satisfied that the unit has performed or will perform the duties required of it in the refinancing plan and until agreements made with the unit's creditors have been performed in accordance with such plan.

APPENDIX F
BOOK-ENTRY SYSTEM

APPENDIX F

DTC BOOK ENTRY SYSTEM

THE DEPOSITORY TRUST COMPANY A SUBSIDIARY OF THE DEPOSITORY TRUST & CLEARING CORPORATION

Beneficial ownership interests in the 2018 Bonds will be available only in a book-entry system. The actual purchasers of the 2018 Bonds (the “*Beneficial Owners*”) will not receive physical certificates representing their interests in the 2018 Bonds purchased. So long as The Depository Trust Company (“*DTC*”), New York, New York, or its nominee is the registered owner of the 2018 Bonds, references in this Official Statement to the Owners of the 2018 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. The Trust Agreement contains provisions applicable to periods when DTC or its nominee is not the registered owner.

THE FOLLOWING DESCRIPTION OF DTC, OF PROCEDURES AND RECORD KEEPING ON BENEFICIAL OWNERSHIP INTERESTS IN THE 2018 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE 2018 BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2018 BONDS AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

1. The Depository Trust Company (“*DTC*”), New York, NY, will act as securities depository for the 2018 Bonds. The 2018 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 in the aggregate principal amount of each maturity of the 2018 Bonds and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2018 BONDS, AS DTC’S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2018 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2018 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 2018 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 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 and www.dtc.org.

3. Purchases of the 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2018 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 2018 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 the 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

4. To facilitate subsequent transfers, all 2018 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 the 2018 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 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 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 the 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the 2018 Bonds may wish to ascertain that the nominee holding the 2018 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 shall be sent to DTC. If less than all of the 2018 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 the 2018 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 Trustee 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 the 2018 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 2018 Bonds for substantially all purposes under the Trust Agreement, 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 City, to the Company, 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 2018 Bonds that may be transmitted by or through DTC.

8. Redemption proceeds, distributions, and interest payments on the 2018 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 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 City, 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 Trustee's responsibility, 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 CITY CANNOT AND DOES 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 2018 Bonds at any time by giving reasonable notice to the City and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the 2018 Bond certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the 2018 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 City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City 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 2018 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 2018 Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the 2018 Bonds, including any action taken pursuant to an omnibus proxy.

EXHIBIT A**THE CITY****GENERAL DESCRIPTION**

The City is the 12th largest city in the State of North Carolina (the “*State*”) according to a 2016 estimate of the North Carolina Office of State Budget and Management. It is located on the banks of the Tar River and is affectionately referred to as the “Hub of Eastern North Carolina.” The City also serves as the county seat for Pitt County, North Carolina (the “*County*”), comprises roughly 50% of the County’s population within its 35 square miles and is an economic, education and medical focal point of Eastern North Carolina.

DEMOGRAPHIC CHARACTERISTICS

The United States Department of Commerce, Bureau of the Census, has recorded the population of the City to be as follows:

<u>1990</u>	<u>2000</u>	<u>2010</u>
44,972	62,432	84,554

The North Carolina Office of State Budget and Management has estimated the population of the City to be as follows:

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
86,017	87,241	87,436	89,130	87,945

Per capita income data for the County and the State are presented in the following table:

<u>YEAR</u>	<u>CITY (MSA)</u>	<u>COUNTY</u>	<u>STATE</u>
2012	\$34,958	\$34,958	\$38,600
2013	34,792	34,792	37,813
2014	35,922	35,922	39,558
2015	37,042	37,042	41,378
2016*	N/A	N/A	42,244

Source: United States Department of Commerce, Bureau of Economic Analysis.

* Latest data available.

The following table indicates the total taxable retail sales for the County for the following fiscal years:

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>TOTAL TAXABLE RETAIL SALES</u>	<u>INCREASE (DECREASE)OVER PREVIOUS YEAR</u>
2013	\$1,846,032,936	--
2014	1,851,120,121	0.3%
2015	2,021,702,242	9.2
2016	2,146,289,368	6.2
2017	2,330,715,251	8.6

Source: North Carolina Department of Revenue, Sales and Use Tax Division.

COMMERCE AND INDUSTRY

The City continues to be an attractive place to live and work and is one of the most rapidly growing areas in eastern North Carolina. At the heart of the City are two large, very significant economic generators – East Carolina University (“*ECU*”) and Vidant Medical Center. Their presence and growth have allowed the City to grow into a prosperous “uni-med” community. In the educational area, ECU is one of the largest universities in the University of North Carolina system with nearly 29,000 students and contributes to the employment of roughly 6,000 people in the education field. Ranked the #5 best hospital in the State by U.S. News & World Report for the year 2017, Vidant Medical Center anchors a medical community that employs approximately 7,000 health care professionals in the City and has a serving reach of 29 counties across Eastern North Carolina. Together, ECU’s Brody School of Medicine and Vidant Medical Center employ more than 13,500 people and deliver an economic impact for the eastern region of the State in excess of \$3 billion.

ECU’s Centennial Campus offers more than 4.8 million square feet of academic research and residential space. The Health Sciences Campus includes the Brody School of Medicine, the James and Connie Maynard Children’s Hospital, the East Carolina Heart Institute, the Leo Jenkins Cancer Center, and the Allied Health Center-composed of the College of Nursing, Laupus Medical Library and the College of Allied Health Science. ECU’s School of Dental Medicine, which opened in 2011, is housed at the Health Sciences Campus, but has clinics spread around the region servicing underserved communities with dental care. Additionally, ECU houses the West Campus, which is the home of the North Carolina Agromedicine Institute; partners for Health and Safety in Agriculture, Forestry, and Fisheries.

An off-shoot to being a “uni-med” community is the bio-med businesses that thrive in the uni-med environment. Several medical innovations have been developed in the City including robotic heart valve replacement surgery and an implant to help patients overcome stuttering. The City is also home to a very important bio-pharmaceutical cluster, providing significant employment to area residents and the surrounding area. Patheon Pharmaceuticals is an important component of this cluster.

Much of the manufacturing in the City is located outside of the City limits, but inside the extra-territorial jurisdiction (“*ETJ*”). This provides stable employment for the City’s residents, but does not provide the property tax base which would help the City provide City services. DSM Dyneema, which produces components in ropes, cables, and nets for the fishing and shipping industry, NACCO Materials Handling Group, which designs, engineers, and manufactures materials handling equipment, ASMO, which produces front wiper motor linkages, rear wiper motors, arms, and blades and radiator fan motors for its North American customers, and Grady-White Boats, which has a legendary reputation for designing and producing outstanding fiberglass boats, all call the City home.

The following table lists the major employers in or within a few miles of the City as of calendar year 2017:

COMPANY/INSTITUTION	PRODUCT/SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
Vidant Health	Healthcare	6,560
East Carolina University	Education	5,750
Pitt County Public Schools	Education	3,650
NACCO Materials Handling Group	Lift Trucks	1,173
City of Greenville	Government Administration	1,132
Pitt Community College	Education	1,100
Patheon, Inc. (DSM Pharmaceuticals)	Pharmaceuticals	1,040
County of Pitt	Government Administration	901
ASMO	Manufacturing	624
Physicians East	Healthcare	615

Source: Pitt County Development Commission.

The following table indicates construction activity in the City, as reflected in the type, number and value of building permits issued by the City:

FISCAL YEAR	COMMERCIAL		RESIDENTIAL		TOTAL VALUE
	NUMBER	VALUE	NUMBER	VALUE	
2013	249	\$49,846,784	560	\$45,798,649	95,645,433
2014	246	145,735,172	491	39,603,740	185,338,912
2015	382	183,625,638	554	65,558,086	249,183,724
2016	410	65,412,915	570	49,358,337	114,771,252
2017	410	153,231,565	696	118,149,224	271,380,789

Source: City Inspections Division.

The North Carolina Department of Commerce Labor and Economic Analysis Division has estimated the percentage of unemployment in the City to be as follows:

	2013	2014	2015	2016	2017		2013	2014	2015	2016	2017
January	8.1%	5.9%	5.7%	5.9%	6.0%	July	8.0%	7.0%	6.8%	6.4%	5.6%
February	7.5	5.8	5.6	5.7	5.5	August	7.4	6.8	6.6	6.5	5.6
March	7.2	5.8	5.3	5.5	5.4	September	6.3	5.4	5.2	5.5	
April	6.7	5.1	5.1	5.4	5.0	October	6.4	5.2	5.4	6.3	
May	7.3	6.1	6.3	5.8	5.3	November	5.8	5.1	5.1	5.4	
June	8.0	6.5	6.6	6.5	5.4	December	5.6	5.1	5.3	5.5	

GOVERNMENT AND MAJOR SERVICES

Government Structure

The City operates under a council-manager form of government. The seven-member City Council is the policy-making and legislative body of City government. The Council enacts local laws and ordinances, adopts the annual budget and financial plan for the operations of the City, and authorizes

contracts for the City. The Mayor is the presiding officer of the Council and signs all documents authorized by Council.

Five of the seven Council members are elected from individual districts, and two members, including the Mayor, are elected at-large. A Mayor Pro-Tem, who will assume mayoral duties in the absence of the Mayor, is selected from the members of the newly elected Council body. Each of the Council members, including the Mayor, serves two-year terms and is elected on a biannual basis. The Council also appoints the City Manager, City Attorney, City Clerk, and members of the volunteer boards and commissions. The City Manager is responsible for implementing Council policies, City ordinances, managing daily operations, and appointing department directors.

The Greenville City Council is required to adopt a budget by July 1st of each year. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for its financial planning control. The City Manager is authorized by the budget ordinance to make certain limited transfers within funds to facilitate budget execution consistent with Council intent.

The City provides a full range of services including police and fire protection, planning and zoning, community and economic development, recreational activities and parks, refuse, recycling, and other sanitation services, stormwater and drainage, fixed-route transit services, regional transportation planning services, general administrative and technological services, and the construction and maintenance of City streets, sidewalks, and other associated infrastructure. Certain planning and utility services are provided outside the City's municipal boundary in its extraterritorial area to provide for orderly growth.

EDUCATION

East Carolina University

ECU is a public, coeducational, doctoral/research university. ECU is the largest institution of higher learning in eastern North Carolina and the fourth-largest university in North Carolina. Established in 1907, ECU is one of 16 universities in the State University system. ECU has grown from 174 students during its first year of classes in 1909 to a present enrollment of nearly 29,000 students.

ECU employs approximately 5,750 people and is the City's second largest employer. ECU's campus has grown from 43 acres in 1907 to almost 1,600 acres today. ECU is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate, masters, and doctoral degrees.

University spirit infuses the City whose residents proudly claim to live in a "Pirate Nation." During football season, there are "Paint It Purple" Fridays when everyone is encouraged to don the Purple and Gold in support of the Pirates. On Fridays before a home football game, celebrations called "Freeboot Fridays," inaugurated by Uptown Greenville, draw students, residents, and visiting fans into the downtown district for food, drinks, prizes, and entertainment.

Brody School of Medicine

In the early 1960s, a group of leaders from eastern North Carolina proposed that a medical school be established at what was the East Carolina College. The Brody School of Medicine at ECU is accredited by the Liaison Committee on Medical Education. Over time, ECU was authorized to establish a health affairs division as a foundation for a medical program, and then a one-year medical school whose participants completed their medical education at the University of North Carolina-Chapel Hill ("UNC-

Chapel Hill”). Finally in 1974, the General Assembly of North Carolina appropriated the funds to establish a four-year medical school at ECU. Today, in its partnership with Vidant Health and regional physicians, the school is the educational centerpiece of one of North Carolina’s largest and most productive academic medical centers.

ECU School of Dental Medicine

ECU’s School of Dental Medicine opened in the fall of 2011 and is the second dental school in the State. To remedy the shortage of dentists in the State and provide dental services to rural and underserved areas, ECU and UNC-Chapel Hill jointly developed a plan to establish the ECU School of Dental Medicine. The School of Dental Medicine operates in the form of Community Service Learning Centers. As of April 2016, the School of Dental Medicine has opened nine locations of the Community Service Learning Centers servicing Ahoskie, Brunswick County, Davidson County, Elizabeth City, Greenville, Sylva, Spruce Pine, Lillington and Robeson County.

Pitt Community College. Pitt Community College (“PCC”) was chartered in March, 1961 and is a comprehensive community college of the North Carolina Community College system. PCC is one of 11 community colleges in the State to have previously earned the distinction of “Exceptional Institutional Performance” status. PCC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate degrees. Today, PCC awards associate degrees, diplomas and certificates for more than 60 programs and provides adult basic education, literacy training and occupational extension courses. The college serves more than 23,000 credit and non-credit students annually and is the seventh-largest in the 58-member North Carolina Community College System. PCC employs approximately 1,100 people and was the City’s sixth largest employer in 2016.

Pitt County School System. The Pitt County School System is accredited by the Southern Association of Colleges and Schools and is one of the first 100 school systems in the nation to achieve the distinction of “Quality School System.” District Accreditation is a process designated to recognize school systems that embrace improving student learning as a systematic process. This achievement recognizes the quality of education afforded the students in Pitt County Schools through the leadership of the superintendent and governing authority, the dedication and service of the professional staff, and the support of community stakeholders. The school system currently serves nearly 24,000 students in kindergarten through twelfth grade in 37 schools and is continuing to see annual growth in its student population. The Pitt County School Board currently has nine members representing six districts. Board members are elected and serve four-year staggered terms. Pitt County Schools was the third largest employer in the City in 2016.

The following table shows the number of schools by grade level and average daily membership for the Pitt County School Administrative Unit:

SCHOOL YEAR	ELEMENTARY GRADES (K-5)		INTERMEDIATE GRADES (6-8)		SECONDARY GRADES (9-12)		TOTAL ADM
	NO. OF SCHOOLS	ADM*	NO. OF SCHOOLS	ADM*	NO. OF SCHOOLS	ADM*	
2012-13	16	11,119	14	5,457	6	7,018	23,594
2013-14	16	11,196	14	5,487	6	7,162	23,845
2014-15	16	11,341	14	5,419	6	7,121	23,881
2015-16	16	11,469	14	5,307	7	7,328	24,104
2016-17	16	11,418	14	5,275	7	7,902	24,595

* Average daily membership (“ADM”) (determined by actual records at the schools for the first month of school) is computed by the North Carolina Department of Public Instruction on a uniform basis for all public schools in the State. The average daily membership computations are used as a basis for teacher allotments and for distribution of local funds if there is more than one school unit within a county.

Source: Superintendent’s Office of the Pitt County School Administrative Unit.

TRANSPORTATION

The City supports over 1,023 linear miles of street and is easily accessible by an east-west connector, U.S. Highway 264, and a north-south connector, U.S. Highway 13.

Greenville Area Transit (“*GREAT*”) operates fixed-route service for the City that provides demand response (curb-to-curb service) for passengers with mobility and visual impairment, if those passengers reside within $\frac{3}{4}$ of a mile of one of our established bus lines. The Pitt Area Transit System (“*PATS*”) is operated by the County and provides curb-to-curb van service as well as human service and Rural General Public (“*RGP*”) transportation in the County.

The Pitt-Greenville Airport (“*PGV*”) is a non-hub Commercial Service Airport engaged in the business of facilitating commercial and general aviation passenger and cargo transportation. PGV covers 1,000 acres and is only two miles from the ECU’s Campus. As of June 30, 2016, the Pitt-Greenville Airport offered four daily round trip flights to Charlotte, North Carolina with service provided by American Airlines (operating under the name of Piedmont Airlines and PSA Airlines). In the fiscal year ended June 30, 2016, approximately 93,000 passengers flew on flights in/out of the airport. In addition, there are over 70 aircraft varying in model and size that support PGV’s private and general aviation operations.

MEDICAL FACILITIES

Vidant Medical Center

Vidant Medical Center, one of four academic medical centers in North Carolina, is the flagship hospital for Vidant Health and serves as the teaching hospital for the Brody School of Medicine at ECU. Vidant Medical Center is a regional resource for all levels of health services and information. The hospital is a tertiary referral center and provides acute, intermediate, rehabilitation and outpatient health services to more than 1.4 million people in 29 counties. In an average year, about 44,500 inpatients and more than 171,000 outpatients are treated in our facilities. More than 3,500 babies are born here in a typical year.

Clinical education is an important part of this hospital’s mission and helps demonstrate its commitment to the community. Vidant Medical Center is a teaching site for medical students and

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residents, nurses and other health professionals and is fully accredited by the Joint Commission for the Accreditation of Healthcare Organizations.

CULTURAL

There are numerous art galleries, museums, community and university theatres, as well as the countless music venues to choose from throughout the area. Local theater groups such as the Magnolia Arts Center and the Greenville Theater Project contribute heavily to the performing arts scene in the community. The Smiles and Frowns Playhouse has provided first-rate children's theatre in the city for almost twenty years.

RECREATION

The Recreation and Parks Department provides a variety of athletic, recreational and arts and crafts activities for all ages and special populations. The department maintains more than 25 parks and recreational facilities, including numerous gymnasiums, recreation and community centers, swimming pools, tennis courts, a soccer complex, softball and baseball fields, playgrounds, a greenway, as well as The Town Common and Greenville Amphitheater, River Park North, Bradford Creek Public Golf Course, the Aquatics and Fitness Center, the Extreme Park, and River Birch Tennis Center.

GREENVILLE UTILITIES COMMISSION

Established in 1905, the Greenville Utilities Commission (the "*Utilities Commission*") is owned by the citizens of the City, and is governed by an eight-member Board of Commissioners (the "*Board*") responsible for approving rates, development plans, the annual budget and for setting policy that is carried out by the General Manager/CEO of the Utilities Commission. The City Manager of the City serves as a full-voting member of the Board, five other Board members are nominated by the City Council and two are nominated by the Pitt County Board of Commissioners. All members are approved by the City Council. Board members serve three-year terms, with a maximum of two terms. The Utilities Commission has the authority and responsibility to supervise and manage the operation, maintenance, improvement and extension of water, sewer, electric and natural gas facilities in the City and surrounding service area (the extension of sewer facilities outside the City limits must be approved by the City Council).

The revenues and receipts of the Utilities Commission are not pledged to and do not serve as security for the Bonds.

Electric System

The Utilities Commission operates an electric distribution system serving the City and roughly 75% of the County with approximately 66,508 connections. The Utilities Commission's electric system is the second largest municipal electric system in the State, both in terms of number of customers served and quantity of electricity purchased and distributed. The Utilities Commission's electric system service area runs north close to the Town of Robersonville, south to the Town of Ayden, east to the Town of Grimesland and west beyond the Town of Falkland. Neighboring areas are primarily served by North Carolina Power or Duke Energy Progress ("*DEP*").

The electric system consists of 77 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as over 1,191 miles of overhead distribution lines, 1,653 miles of underground distribution lines at 12,470 volts and 86 miles of fiber optic lines. The electric system consists of 19 distribution substations with a combined base rating capacity of 560 MVA (megavolt amps), two sub-transmission

substations with a combined base rating of 50 MVA, as well as two 115 kV transmission substations with a combined base load capacity of 480 MVA.

The Utilities Commission is a leader in the State in residential load management and has device controls for an estimated 41,900 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately thirty percent (30%) of the Utilities Commission's residential customers currently participate in this program.

The Utilities Commission and thirty-one other North Carolina municipalities are members of the North Carolina Eastern Municipal Power Agency (Power Agency), a joint agency of the State of North Carolina. On July 31, 2015, the Power Agency completed the sale of its electric generating assets to Duke Energy Progress for approximately \$1.25 billion. The proceeds from the sale were used to reduce outstanding debt on those assets. The Utilities Commission's share of the Power Agency's outstanding debt was reduced from approximately \$277.8 million to \$85 million. Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to the Power Agency.

The City's purchases of electricity from the Power Agency over each of the past five fiscal years are set forth below:

FISCAL YEAR ENDED JUNE 30	TOTAL KWH PURCHASED	TOTAL PURCHASED POWER COST
2013	1,699,023,559	\$157,361,094
2014	1,735,534,829	160,122,795
2015	1,761,923,076	157,456,548
2016	1,712,721,042	124,016,856
2017	1,758,983,385	128,899,120

The City, together with the other 31 Participants, is also a member of ElectriCities of North Carolina, Inc. ("*ElectriCities*"), a joint municipal agency serving the interests of municipal electrical systems. There are currently 91 members of ElectriCities, including municipalities and university systems from North Carolina, South Carolina, and Virginia.

Factors Affecting the Electric Utility Industry. The electric utility industry is undergoing pervasive and fundamental changes. One such change is increased competition, in both wholesale and retail markets, for the sale of electricity generation services. In large measure, this increase in competition is the outgrowth of statutory changes and regulatory initiatives at the federal and state levels. It is manifested in a number of ways, including the following: inter-fuel competition; municipal and industrial self-generation; the availability of open access wholesale transmission services under standardized tariffs; the emergency of independent power producers and other merchant generators; and the greater use of alternative and renewable energy resources and demand response. In many areas of the United States, electric utilities no longer have a monopoly in power generation in their service areas, and are no longer the sole power supply option for at least some of their customers. In many instances, electric utilities that serve retail loads have found it necessary to grant rate concessions to larger commercial or industrial customers, sometimes with corresponding adverse effects on the rates paid by residential and other customers. Utilities with comparatively high-cost power supply resources often find it difficult to retain customers and recover through rates the full cost of their resources. Currently North Carolina does not have retail competition and the potential for customer choice is minimal. The Commission offers a Coincident Peak rate and incremental cost structure which provide a means to compete for industrial load.

Electric utilities also are subject to increasing federal, state and local statutory and regulatory requirements affecting a broad range of matters, including the following: the siting and construction of new generation and transmission facilities; mandatory reliability standards for the bulk electric power system; homeland security, including protection of critical infrastructure facilities from damage or attack; employee safety; renewable resource mandates; and air, water quality, land use and other environmental factors.

THE WATER RESOURCES SYSTEMS

Water Treatment and Distribution System

The Utilities Commission operates a water supply and distribution system that serves the City and a portion of the County. The distribution system currently consists of approximately 631 miles of lines with approximately 35,794 connections. Raw water is supplied by the Tar River and eight deep wells. The current average daily withdrawal from the Tar River is 13.364 MGD. River modeling indicates that the Tar River's maximum withdrawal capacity for the Utilities Commission is 128 MGD. Treatment is accomplished through a modern water treatment plant placed in operation in 1983 and expanded in 2002 with a present capacity of 22.5 MGD. With the 2.0 MGD peaking capacity of the supplemental supply from the eight deep wells, the total peak day capacity of the water system is 24.5 MGD.

Average daily water use in the fiscal year ended June 30, 2017 was approximately 12.804 MGD, with a maximum daily usage of approximately 17.629 MGD. Approximately 86.1% of the water system's 35,794 connections are located within the City limits. The North Carolina Department of Environmental Quality ("NCDEQ") regulates the quality of water sold by the Utilities Commission to its customers, and the water treatment plant operates in compliance with NCDEQ regulations. The water system meets the current standards of the Federal Safe Drinking Water Act.

NCDEQ has implemented rules restricting water use from certain aquifers in areas of eastern North Carolina. Although the Utilities Commission's water supply is not affected by these restrictions, several neighboring communities are mandated to reduce their aquifer withdrawals and are seeking supplemental water supplies. Foresight and long range planning in the areas of water treatment and aquifer storage have positioned the Utilities Commission to form partnerships with these neighboring communities to provide water service to areas outside the traditional service area. The Utilities Commission has entered into contracts to deliver water to the neighboring communities of Bethel, Farmville, Stokes, Winterville and Greene County.

Wastewater Collection and Treatment System

The Utilities Commission operates a wastewater collection and treatment system that serves the City as well as some adjacent areas. The collection system consists of approximately 479 miles of lines with over 29,478 connections. The wastewater treatment plant, placed on line in 1985 and expanded in 1995, is rated to biologically treat a 30 day average of 17.5 MGD with a 30 day average of 10.22 MGD hydraulic capacity. The annual average daily biological flow during the fiscal year ended June 30, 2017 was 10.22 million gallons with a single day hydraulic maximum of 21.95 MGD.

During the fiscal year ended June 30, 2017, 10.92 million gallons of wastewater were treated on an average day, with a permitted maximum daily treatment of approximately 17.5 million gallons. The sanitary sewer system's rate structure is designed to allow the system to be self-supporting.

Treated wastewater is discharged into the Tar River. The Utilities Commission operates an Industrial Pretreatment program, which has six participants: Hyster-Yale Group, Inc., Patheon (formerly

DSM Pharmaceuticals, Inc.), DSM Dyneema, Inc., The Hammock Source, Fuji Silysia and Metrics Contract Services (a subsidiary of Mayne Pharma Group Limited).

The wastewater treatment plant is regulated by the NCDEQ, which enforces federal standards through the National Pollutant Discharge Elimination system as defined in the Clean Water Act. The treatment plant routinely meets all federal and state regulatory standards. The Utilities Commission has entered into sanitary sewer interlocal agreements with the neighboring communities of Bethel and Grimesland.

THE NATURAL GAS SYSTEM

The Utilities Commission operates a natural gas distribution system that services the City as well as some adjacent areas. The natural gas system consists of 621 miles of pipeline and 446 miles of service lines with 23,108 connections. During the fiscal year ended June 30, 2017, the Utilities Commission moved 3,249,342 dekatherms of natural gas through their distribution system.

The Utilities Commission entered a ten-year gas services agreement effective January 5, 2010 with Piedmont Natural Gas (“PNG”) that provides Firm Transportation, Excess Redelivery and Bundled Sales Peaking Services. The Utilities Commission secures its natural gas supplies through various marketers and transports the natural gas on a daily basis through the Transcontinental Gas Pipe Line Corporation’s transmission pipeline to PNG’s gas system. The Utilities Commission routinely uses marketing firms to buy and sell natural gas contracts on its behalf. A Natural Gas Risk Management Policy, which includes a Hedging Plan and Credit Risk Policy, was developed by the Utilities Commission to mitigate the risks associated with purchasing natural gas on the New York Mercantile Exchange.

The Utilities Commission entered into a Supplemental Service and Construction Agreement with PNG effective November 1, 2014 for a period of five years. Under the terms of the contract, the Utilities Commission will pay additional demand charges to cover the costs of upgrades to the Utilities Commission’s system completed by PNG. The initial amount of the contractual payment was \$470,000 per year. Effective June 2015, the amount was increased to \$593,093 per year to reflect the actual costs of the upgrades. These additional demand charges are payable through October 2019.

The Utilities Commission entered a fifteen year agreement with Patriots Energy Group (“PEG”) effective February 1, 2007 to purchase 20% of the Utilities Commission’s firm volumes (2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be between \$0.42 and \$0.47 per dekatherm and pays an administrative fee of \$0.015 per dekatherm to PEG to cover the administrative costs of the agreement.

The Utilities Commission utilizes liquefied natural gas (“LNG”) as a supply source for the peak day natural gas requirements. The utilization of LNG as a natural gas supply for peak day requirements is part of a long range plan to enhance the natural gas system’s reliability, control natural gas costs and offer additional services to the Utilities Commission’s customers. The Utilities Commission completed a permanent facility that stores and vaporizes LNG into gas in December 1997. An expansion of that facility, which doubled storage capacity, was substantially completed in the fall of 2001 and enhancements to the security features at the site were completed in 2004. A second expansion, completed in December 2006, doubled the send out capacity as well as adding redundancy and reliability to the operations of the facility. During fiscal year 2015, two additional storage tanks were installed at the facility, bringing the total storage capacity to 330,000 gallons. The volume of LNG stored at the facility would supply the Utilities Commission’s customers for more than a week should the gas supply be cut off due to an emergency.

The policy of the Utilities Commission is to set natural gas system rates at a level to generate sufficient revenue to allow the natural gas system to be self-supporting. To achieve such result, the Utilities Commission has adopted a purchased gas adjustment clause as a rate change mechanism to provide that all purchased gas costs incurred by the Utilities Commission are passed along to natural gas customers.

OTHER SERVICES

The City provides police, fire protection and rescue operations services. In addition, the City supports various housing programs and also provides refuse collection service to the residents. The City leases and operates five off-street lots in the central business district.

Debt Outlook

The City prepares a capital improvement plan which is updated annually. The City decides on funding sources varying from general obligation bonds, certificates of participation, installment financing agreements and cash. The Commission prepares long-term capital improvement plans as well. All capital projects and funding sources are subject to Commission approval.

2017-18 BUDGET OUTLOOK

The City biennially adopts and approves a fiscal year budget and a second year Financial and Operating plan. The City's biennial budget for fiscal year ending June 30, 2018 was adopted by the City Council on June 8, 2017. The City Manager's adopted budget maintains a tax rate of \$.52 cents per \$100 of assessed value. The following are highlights for the general fund budget for fiscal year ending June 30, 2018:

- Invests 86% of all General Fund revenues into core public service areas and obligated debt.
- Provides for an average 3.2% wage increase for employees.
- Includes funding for an additional 2.0 – 4.0 police positions through a pool that will serve as a match for additional positions through grants. This is in addition to the 4.0 – 6.0 grant pool positions included in the budget for the fiscal year ended June 30, 2017.
- Provides for the operation of a new employee health clinic in partnership with Vidant Health.
- Increases Street Improvement Project funding from \$1.7 million to \$2.0 million.
- Includes \$461,033 in funding for the Town Common project. This is in addition to \$851,663 in funding included in the budget for the fiscal year ended June 30, 2017.
- Provides \$1.54 million in appropriations to support the City's deferred maintenance and infrastructure needs (i.e. Facilities Improvement Projects).
- Includes \$20,000 increase in Recreation & Parks operating budget to service the expansion of City services maintained by this department.
- Provides funding of \$2.2 million for various capital projects of strategic importance to the City Council.

PENSION PLANS

The City participates in the North Carolina Local Governmental Employees' Retirement System and three other pension plans.

-- *North Carolina Local Governmental Employees' Retirement System.* The North Carolina Local Governmental Employees' Retirement System (the "System") is a service agency administered through a board of trustees by the State for public employees of counties, cities, boards, commissions and other similar governmental entities. While the State Treasurer is the custodian of System funds,

administrative costs are borne by the participating employer governmental entities. The State makes no contributions to the System.

The System provides, on a uniform System-wide basis, retirement and, at each employer's option, death benefits from contributions made by employers and employees. Employee members contribute six percent of their individual compensation. The rate for the fiscal year ending June 30, 2018, uniform for all employers, is 7.50% of eligible payroll for general employees and 8.25% of eligible payroll for law enforcement officers. The accrued liability contribution rate is determined separately for each employer and covers the liability of the employer for benefits based on employees' service rendered prior to the date the employer joins the System.

Members qualify for vested deferred benefits at age 60 with at least five years of creditable service to the unit of local government. Unreduced benefits are available: at age 65, with at least five years of creditable service; at age 60, with at least 25 years of creditable service; or after 30 years of creditable service, regardless of age. Benefit payments are computed by taking an average of the annual compensation for the four consecutive years of membership service yielding the highest average. This average is then adjusted by a percentage formula, for a total years of service factor, and by an age service factor if the individual is not eligible for unreduced benefits. Contributions to the System are determined on an actuarial basis.

Other Pension Plans. The City also participates in the (1) Law Enforcement Officers' Special Separation Allowance, (2) Supplemental Retirement Income Plan for Law Enforcement Officers and (3) Supplemental Retirement Income Plan for all Other Employees. For information concerning the City's participation in the North Carolina Local Governmental Employees' Retirement System and the other pension plans see the Notes to the City's Audited Financial Statements in Appendix B. Financial statements and required supplementary information for the North Carolina Local Governmental Employees' Retirement System are also included in the Comprehensive Annual Financial Report ("CAFR") for the State. Please refer to the State's CAFR for additional information.

OTHER POST-EMPLOYMENT BENEFITS

The City has elected to provide post-retirement health care benefits which are considered to be other post-employment benefits ("OPEB") to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and have at least five years of creditable service with the City. Retirees pay 5% and the City pays 95% of the cost of coverage for these benefits for retirees with a minimum of twenty-years of creditable service with the City. Retirees with at least five years but less than twenty years of creditable service with the City pay for their coverage. The City does not pay any portion of premiums for retiree spouses. As of June 30, 2017, 276 retirees were eligible for postretirement health benefits. The City contracted with an actuarial firm to determine its OPEB liability and was completed in October, 2017. The City is evaluating its OPEB benefits to determine the impact of changes in future benefits on OPEB liability.

On May 10, 2011, the City Council voted to amend OPEB benefits for employees hired on or after July 1, 2011. Retiring employees will need to be a minimum of 55 years old and have served the City a minimum of 20 consecutive years to receive OPEB benefits. Please see the chart below for a summary of the new OPEB benefits. The percentage of the health insurance premium the City will pay is dependent on the age of the employee and the number of years the employee served the City. Retirees who are 55 to 59 years of age and have twenty to twenty-four years of service will be eligible to have the City pay for 50% of the cost of the health insurance premium for the City's plan. If the retiree is 60 to 65 years old, the City will pay 65% of the cost. If the retiree has more than twenty-five years of service upon retirement, the above numbers change to 75% and 95%, respectively. If the employee is 65 years old and

Medicare eligible upon retirement, the City will provide the retiree with a \$250 stipend toward Medicare supplemental insurance.

TIERED STRUCTURE PRE-65 COVERAGE

YEARS OF SERVICE	AGE	
	55-59	60+
20-24	50%	65%
25+	75%	95%

CURRENT PREMIUM	MONTHLY CONTRIBUTOR	95%	75%	65%	50%
\$ --	Employer	\$605.88	\$605.88	\$605.88	\$605.88
\$ --	Employee	31.89	201.96	326.24	605.88

In addition to the above changes, the City Council also resolved to continue to investigate viable ways to mitigate future OPEB costs for the City.

CONTINGENT LIABILITIES

The City has no contingent liabilities at the present time, which, in the opinion of counsel to the City, would materially affect the City’s ability to meet its financial obligations.

BOND PURCHASE AGREEMENT

Relating to

[\$Amount]

CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018

February 8, 2018

The Local Government Commission of North Carolina
Raleigh, North Carolina

City of Greenville, North Carolina
Greenville, North Carolina

Ladies and Gentlemen:

The undersigned, Robert W. Baird & Co. (the “*Underwriter*”), hereby offers to enter into this Bond Purchase Agreement (“*Bond Purchase Agreement*”) with the Local Government Commission of North Carolina (the “*LGC*”) concerning the sale by the LGC and the purchase by the Underwriter of the above described bonds which, upon acceptance of such offer by the LGC and approval of such offer by the City of Greenville, North Carolina (the “*City*”), will be in full force and effect in accordance with its terms and binding upon the LGC, the City and the Underwriter. This offer is made subject to acceptance by the LGC and approval of this Bond Purchase Agreement by the City on or before 1:00pm (North Carolina time) on the date hereof. If this offer is not so accepted, it is subject to withdrawal by the Underwriter upon written notice delivered to the Secretary of the LGC at any time prior to acceptance and approval.

Section 1.

On the terms and conditions and upon the basis of the representations and warranties herein set forth, the LGC hereby agrees to sell and the Underwriter hereby agrees to purchase all (but not less than all) of the \$[Amount] aggregate principal amount of the City’s Stormwater System Revenue Bonds, Series 2018 (the “*Bonds*”) for an aggregate purchase price of \$[] (which purchase price is equal to \$[Amount] aggregate principal amount of the Bonds, plus a net original issue premium of \$[], less the Underwriter’s discount equal to \$[]).

The Bonds shall be issued pursuant to The State and Local Government Revenue Bond Act, Article 5, as amended, of Chapter 159 of the General Statutes of North Carolina (the “*Act*”), a bond order duly adopted by the City Council of the City on January 11, 2018, a Trust Agreement, dated as of March 1, 2018 (the “*Trust Agreement*”), between the City and [Name of Trustee], as trustee (the “*Trustee*”), and a First Supplemental Trust Agreement to be dated as of March 1, 2018 (the “*First Supplemental Trust Agreement*” and together with the Trust Agreement, the “*Trust Agreements*”) between the City and the Trustee. The Bonds will mature, subject to the right to purchase as set forth in the Trust Agreements, on March 1 of the years set forth in the First Supplemental Trust Agreement. The Bonds will bear interest, at the rates and have such other terms and provisions, as are described in the Official Statement (hereinafter defined). Capitalized terms used herein without definition shall have the meanings given to them in the Trust Agreements.

The proceeds of the Bonds, together with other available funds, will be used to (a) pay the costs of various improvements to the City's existing structural and natural stormwater system facilities (as more particularly described in the First Supplemental Trust Agreement) and (b) pay the costs and expenses incurred in connection with the sale and issuance of the 2018 Bonds.

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering price set forth in the Official Statement. The Underwriter reserves, however, the right to change such initial offering prices or yields as the Underwriter deems necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts, including investment trusts managed by the Underwriter) and others at prices lower than the initial offering prices or yields set forth in the Official Statement.

The Underwriter represents and warrants that it will offer the Bonds only pursuant to the Official Statement and only in states where the offer and sale of the Bonds are legal, either as exempt securities, as exempt transactions or as a result of due registration of the Bonds for sale in any such state.

The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City 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 B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

[Except as otherwise set forth in Schedule I attached hereto,] the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

[The Underwriter confirms it has offered the 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 the Official Statement. Exhibit A sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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 Bonds, the Underwriter will neither offer nor sell unsold 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:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City and the City's financial advisor when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any dealer who is a member of a selling group or of any broker-dealer that is a party to a retail distribution agreement to comply with its agreement regarding the hold-the-offering-price rule as applicable to the Bonds.]

(a) The Underwriter confirms that any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

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

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

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

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

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

Section 2.

The LGC will deliver or cause to be delivered to the Underwriter, promptly after the acceptance by the LGC and approval by the City of this Bond Purchase Agreement, two copies of the Official Statement in substantially the form of the Preliminary Official Statement, dated January 29, 2018 (the “*Preliminary Official Statement*”), marked to include such changes as shall have been accepted by the Underwriter and are necessary or desirable to reflect the terms of this Bond Purchase Agreement and to complete the document as an Official Statement in final form, executed on behalf of the LGC and approved by the City (together with any amendments or supplements thereto, the “*Official Statement*”). The Official Statement will be approved and delivered on behalf of the LGC by its Secretary or Deputy Secretary and on behalf of the City by its City Manager or Director of Financial Services. The LGC and the City hereby approve the Official Statement and authorize the use of copies of the Official Statement and the Trust Agreements in connection with the public offering and sale of the Bonds. The LGC and the City consent to the use by the Underwriter (prior to the date hereof) of the Preliminary Official Statement in connection with the public offering of the Bonds.

The City and the LGC will take all actions, execute such instruments and provide all information in cooperation with the Underwriter as the Underwriter shall reasonably request to qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter shall designate, provided that neither the City nor the LGC shall be required to consent to service of process in any state where they are not now so subject or register as a foreign corporation in connection with any such qualification, and to ensure that the Official Statement at all times during the initial offering and distribution of the Bonds does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

If between the date of this Bond Purchase Agreement and the date that is 25 days following the “end of the underwriting period” as defined in Rule 15c2-12 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “*Rule*”), any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter and the LGC, and, if in the opinion of the City, the LGC, or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the City, the LGC and the Underwriter.

Within seven business days after the execution of this Bond Purchase Agreement, and, in any event, in sufficient time to accompany confirmations requesting payment from customers, the City shall deliver to the Underwriter copies of the Official Statement (with only such changes therein as shall have been approved by the Underwriter), in such quantities as the Underwriter may reasonably request in order to comply with the rules of the Municipal Securities Rulemaking Board and the Rule. Delivery of such copies of the Official Statement shall constitute the City’s authorization for the Official Statement, the information contained therein and the documents referred to therein to be used in connection with the public offering of the Bonds by the Underwriter. The Underwriter represents that a copy of the Official Statement will be electronically delivered before the “end of the underwriting period” (as such expression is used in Rule 15c2-12) with the Municipal Securities Rulemaking Board at <https://gw.msrb.org/msrb1/control/default.asp>.

The City hereby agrees with the Underwriter that it will, pursuant to the First Supplemental Trust Agreement, undertake to provide the financial, statistical and other information described in the Preliminary Official Statement under the heading “**CONTINUING DISCLOSURE OBLIGATION**” at the times, to the persons and in the manner set forth therein, all in accordance with the Rule.

All expenses and costs of the LGC incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds shall be paid from the proceeds of the Bonds or any other available funds of the City at or prior to Closing (as hereinafter defined).

No recourse shall be had by the Underwriter for any claims based on this Bond Purchase Agreement or otherwise against any member, officer or agent of the LGC in his or her individual capacity, all such liabilities, if any, being waived by the Underwriter.

The Underwriter acknowledges that neither the LGC nor the City has authorized or consented to:

(a) the sale of Bonds to any purchaser in connection with the initial public offering of the Bonds unless a copy of the Official Statement is delivered to such purchaser not later than the settlement of such transaction;

(b) making any representations or providing any information to prospective purchasers of the Bonds in connection with the public offering and sale of Bonds other than the information set forth in the Official Statement and any amendment thereto approved in writing by the LGC and the City; or

(c) any actions in connection with the public offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the Municipal Securities Rulemaking Board and the Financial Industry Regulatory Authority.

Section 3.

The LGC represents and warrants that:

(a) it is duly organized and validly existing as a division of the Department of the Treasurer of the State of North Carolina, vested with the rights and powers conferred upon it pursuant to Section 159–80 of The State and Local Government Revenue Bond Act (Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended (the “*Revenue Bond Act*”));

(b) it has full power and authority to approve the issuance and provide for the sale of the Bonds as provided in this Bond Purchase Agreement and the LGC has taken or will take all action required by the Revenue Bond Act and other applicable laws in connection therewith;

(c) it has duly authorized the execution and delivery of this Bond Purchase Agreement and has taken or will take all action necessary or appropriate to carry out the sale and delivery of the Bonds to the Underwriter;

(d) the execution and delivery of this Bond Purchase Agreement and the performance by the LGC of its obligations hereunder are within the powers of the LGC;

(e) it has duly approved the Preliminary Official Statement and the Official Statement and consented to the distribution thereof;

(f) no consent, approval, authorization or order of any governmental or regulatory authority is required to be obtained by the LGC as a condition precedent to the issuance or sale of the Bonds or the execution and delivery of this Bond Purchase Agreement or the performance by the LGC of its

obligations hereunder (provided no representation or warranty is expressed as to any action required under federal or North Carolina or other state securities or blue sky laws in connection with the purchase, offering or distribution of the Bonds by the Underwriter); and

(g) there is no litigation at law or in equity or any proceeding before any governmental agency pending against or involving the LGC or, to the knowledge of the LGC, threatened, to restrain or enjoin the issuance or delivery of the Bonds or the execution or delivery by the LGC of this Bond Purchase Agreement and the performance of its obligations hereunder.

Section 4.

The Underwriter represents that it is authorized to act under the provisions of this Bond Purchase Agreement. The payment for, acceptance of and issuance of any receipt for the Bonds and any other instruments in connection with the Closing shall be valid and sufficient for all purposes and binding on the Underwriter, provided that any such action by the Underwriter shall not impose any obligation or liability on the Underwriter other than as may arise as expressly set forth in this Bond Purchase Agreement.

The City acknowledges and agrees that: (a) the primary role of the Underwriter, as the underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the City and the Underwriter and that the Underwriter has financial and other interests that differ from those of the City; (b) the Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (c) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby are expressly set forth in this Bond Purchase Agreement; and (d) the City has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

Section 5.

The City represents and warrants that:

(a) The City is a municipal corporation duly organized and validly existing under the Constitution and laws of the State of North Carolina and is authorized pursuant to the provisions of the Revenue Bond Act to (1) issue the Bonds for the purposes described in Section 1 hereof and (2) secure the Bonds in the manner provided in the Trust Agreements;

(b) The City (1) has full legal right, power and authority to execute and deliver the Trust Agreements and this Bond Purchase Agreement, to issue and deliver the Bonds to the Underwriter as provided herein and to carry out and consummate all the transactions described in the Official Statement or contemplated by each of the aforesaid documents and (2) has complied with all provisions of applicable law, including the Revenue Bond Act, in all material matters relating to such transactions;

(c) By official action of the City prior to or concurrently with the date hereof, the City has duly authorized (1) the execution and delivery by the City of the Trust Agreements and this Bond Purchase Agreement, (2) the issuance and delivery of the Bonds, (3) the delivery and distribution of the Official Statement and (4) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such documents;

(d) The Trust Agreements and this Bond Purchase Agreement, when duly executed and delivered (and assuming due authorization, execution and delivery of such documents by the other parties thereto), will constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(e) When delivered to and paid for by the Underwriter at Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed and delivered by the City and will constitute legal, valid and binding special obligations of the City enforceable in conformity with the provisions of the Act and the Constitution and laws of the State of North Carolina, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;

(f) The Bonds will be in substantially the form set forth in the First Supplemental Trust Agreement;

(g) The execution and delivery of the Trust Agreements and this Bond Purchase Agreement, the issuance and delivery of the Bonds and compliance with the provisions of each, do not and will not conflict with or constitute on the part of the City a violation of, breach of or default under any law, indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument to which the City is a party or by which the City or any of its property is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties, and such action will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the City under the terms of any such law, agreement, instrument, order, rule or regulation, except as provided or permitted by the Bonds and the Trust Agreements;

(h) All consents, approvals, authorizations and orders of any governmental or regulatory authority which are required for the issuance and delivery of the Bonds as contemplated by the Official Statement or this Bond Purchase Agreement have been or will be obtained at or prior to Closing;

(i) Subject to the provisions of the Trust Agreements, the City will apply the proceeds derived from the sale of the Bonds to the purposes specified in the First Supplemental Trust Agreement;

(j) The City is not in violation or 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 City is a party or is otherwise subject, which violation, breach or default would in any way materially adversely affect the transactions contemplated by the Trust Agreements or this Bond Purchase Agreement, or the issuance of the Bonds, 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 violation, breach or default;

(k) As of the date hereof and as of the date of Closing, the Official Statement does not and will not contain any untrue 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; provided, however, that the City makes no representation or warranty as to information with respect to the offering of the Bonds set forth on the cover page of the Official Statement or the information under the heading "**MISCELLANEOUS—UNDERWRITING**" in, or Appendices E and F to, the Official Statement;

(l) The financial statements of the City contained in Appendix B to the Official Statement present fairly the financial position of the City as of the dates specified therein, and the results of its operations and changes in its financial position for the periods specified therein, in conformity with generally accepted accounting principles applied on a consistent basis. Subsequent to the respective dates of the most recent financial statements included in the Official Statement, there has been no material adverse change in the financial position or results of operations of the City, except as set forth or contemplated in the Official Statement;

(m) Between the date hereof and the date of Closing, the City will not issue any bonds, notes or other obligations for borrowed money which will materially and adversely affect the transactions contemplated by the Official Statement, and subsequent to the respective dates as of which information is given by the Official Statement and up to and including the date of Closing, the City has not incurred and will not incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the City, except as described in the Official Statement;

(n) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the securities laws or regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that in no event shall the City be obligated to take any action that would subject it to general service of process in any jurisdiction where it is not now so subject, or qualify it to do business in any such jurisdiction, it being understood that the City is not responsible for compliance with or the consequences of failure to comply with applicable state securities laws and regulations;

(o) No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body is required for the issuance, delivery or sale of the Bonds or the consummation of the other transactions contemplated by the Trust Agreements or this Bond Purchase Agreement, except as may be required under the blue sky or other securities laws or regulations of any jurisdiction in connection with the offering and sale of the Bonds by the Underwriter, or if any such consent, approval or authorization is required, the City will obtain it prior to the date of Closing and will provide evidence to the Underwriter that the same has been obtained;

(p) Any certificate signed by an authorized officer of the City and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein;

(q) Except as disclosed in the Official Statement, there is no litigation or any other proceeding before any court or governmental body or agency, pending or, to the knowledge of the City, after reasonable investigation, threatened against or involving the City or any of the members of the City Council of the City in their respective capacities as such (nor, to the knowledge of the City, is there any basis therefor), restraining or enjoining the sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the sale thereof, or wherein an unfavorable decision, ruling or finding would, in any way, adversely affect (1) the transactions contemplated by this Bond Purchase Agreement or the Official Statement, (2) the organization, existence, or powers of the City or the title to the office of any of the members of said City Council, (3) the business, properties or assets or the condition, financial or otherwise, of the City, (4) the validity or enforceability of the Trust Agreements, this Bond Purchase Agreement or the Bonds (or any other agreement or instrument of which the City is a party or used or contemplated for use in the consummation of the transactions contemplated hereby) or (5) the tax treatment of the interest on the Bonds as described in the Official Statement;

(r) The City has delivered the Preliminary Official Statement to the Underwriter and has deemed the Preliminary Official Statement to be a final official statement within the meaning of the Rule, except for the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the securities depending upon such matters, and the City deems the Official Statement to be a final official statement for the purposes of the Rule; and

(s) Except as otherwise disclosed in the Official Statement, with respect to municipal securities previously issued by the City that are subject to the Rule, if any, the City has complied, in all material respects, during the five years prior to the date of this Bond Purchase Agreement, with the continuing disclosure obligations with respect to such municipal securities undertaken in accordance with the Rule.

Section 6.

At 10:00 A.M., New York City time, on March 1, 2018, or at such other time or on such earlier or later date as mutually agreed upon by the City, the LGC and the Underwriter (the “Closing”), the LGC will deliver or cause to be delivered to The Depository Trust Company (“DTC”) on behalf of Cede & Co., 570 Washington Boulevard, Jersey City, New Jersey, or at such other place as may mutually be agreed upon, the Bonds in typewritten form duly executed and authenticated, and at the offices of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, the other documents hereinafter mentioned. It is anticipated that CUSIP identification numbers will be placed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and payment for the Bonds in accordance with the terms of this Bond Purchase Agreement. The Underwriter will accept delivery of the Bonds and pay the full purchase price thereof by immediately available federal funds to the LGC or at its direction. One fully-registered Bond for each maturity, in the aggregate principal amount of each such maturity, shall be issued to and registered in the name of Cede & Co., nominee for DTC, as securities depository, and the beneficial interests in the Bonds so registered will be credited to such accounts with DTC as the Underwriter shall designate. The Bonds shall be so issued and registered to and held by DTC or its nominee, and beneficial interests therein shall be transferable in accordance with the book-entry system.

Section 7.

The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the LGC and the City herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter’s obligations under this Bond Purchase Agreement are and will be subject to the following further conditions:

(a) the representations and warranties of the LGC and the City contained herein must be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered at the Closing pursuant hereto must be true, complete and correct in all material respects on the date of the Closing; and each of the LGC and the City must be in compliance with each of its agreements contained in this Bond Purchase Agreement;

(b) at the time of Closing (i) each of the Trust Agreement, the First Supplemental Trust Agreement and this Bond Purchase Agreement will be in full force and effect and will not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds will have been applied as described in the Official Statement, and (iii) the City and the LGC will have duly adopted and there will be in full force and effect such

resolutions as, in the opinion of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina (“*Bond Counsel*”), are necessary in connection with the transactions contemplated hereby;

(c) no decision, ruling or finding will have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside) which has any of the effects described in Section 5(g) hereof;

(d) the Underwriter will have the right to cancel its obligation to purchase the Bonds, by notifying the LGC and the City of its election to do so, if between the date hereof and the Closing:

(i) a tentative decision with respect to legislation is reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation is favorably reported or rereported by such a committee or introduced, by amendment or otherwise, in or passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States or enacted or a decision by a federal court of the United States or the United States Tax Court is rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency is or proposed to be made having the purpose or effect, or any legislation is enacted, adopted or favorably reported by passage by any legislative body, its chambers or any committee, or a decision rendered by any judicial body, or a ruling made or regulation proposed by any regulatory authority, or any other action or event has occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences or State of North Carolina income tax consequences of owning the Bonds or of any of the transactions contemplated in connection herewith, including causing the interest on the Bonds to be included in gross income for purposes of federal income taxation or State of North Carolina income taxation, or imposing federal income taxation or State of North Carolina income taxation on revenues or other income of the general character to be derived under the Trust Agreements or similar documents or on interest received on obligations of the general character of the Bonds, which, in the opinion of the Underwriter, materially adversely affects (1) the market price of or the marketability of the Bonds or the market generally for obligations of the general character of the Bonds or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(ii) legislation is enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States is rendered, the effect of which is that the Bonds, including any underlying obligations, or the Trust Agreements, as the case may be, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, the Trust Indenture Act of 1939, as amended and as then in effect, or the Investment Company Act of 1940, as amended, or

(iii) a decision, stop order, ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made or any other event occurs, the effect of which is that the initial execution and delivery, offering and sale of the Bonds, including any underlying obligations, or the delivery of the Trust Agreements as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) any event has occurred or any information has become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement, as then amended or supplemented, includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

(v) there occurs any outbreak or escalation of hostilities or any national or international calamity or crisis, including a financial crisis, or any escalation of activities, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect (1) the market price of or the marketability of the Bonds or the market generally for obligations of the general character of the Bonds or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(vi) a decision, ruling or finding is entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed or appealed or otherwise set aside) which has any of the effects described in Section 5(g) of this Bond Purchase Agreement; or

(vii) there is in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading fixed and in force, or maximum ranges for prices of securities required and in force on the New York Stock Exchange, whether by virtue of a determination by the New York Stock Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect (1) the market price of or the marketability of the Bonds or the market generally for obligations of the general character of the Bonds or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(viii) a general banking moratorium is declared by federal, New York or State of North Carolina authorities; or

(ix) any proceeding is pending or threatened by the Securities and Exchange Commission against the City; or

(x) additional material restrictions not in force as of the date hereof are imposed on trading in securities generally by any governmental authority or by any national securities exchange; or

(xi) the New York Stock Exchange or other national securities exchange or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(xii) federal or North Carolina legislation or a decision by a court of the United States or any action taken by the Securities and Exchange Commission or other federal or North Carolina governmental agency occurs which, in the opinion of counsel to the Underwriter, has the effect of requiring the Bonds or any related instrument to be registered under the Securities Act of 1933, as amended, or the Investment Company Act of 1940, as amended, or requiring the Trust Agreements or any related instrument to be qualified under the Trust Indenture Act of 1939, as amended; or

(xiii) any material adverse change in the affairs of the City occurs making it impracticable to market the Bonds on the terms and in the manner contemplated in this Bond Purchase Agreement as determined by the reasonable judgment of the Underwriter; or

(xiv) a supplement or amendment is made to the Official Statement subsequent to the date of this Bond Purchase Agreement which, in the reasonable judgment of the Underwriter, materially and adversely affects (1) the market price or the marketability of the Bonds, or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(xv) there exists any material default (or event which would become a material default unless cured) with respect to any indebtedness of the City, or proceedings under any federal or North Carolina laws instituted by or against the City, in either case the effect of which, in the reasonable judgment of the Underwriter, is to materially and adversely affect (1) the market price or the marketability of the Bonds, or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(xvi) any proceedings are instituted under federal bankruptcy laws by or against any state of the United States or any City or City in the United States having a population over 1,000,000, the effect of which on the financial markets of the United States, in the reasonable judgment of the Underwriter, is to materially adversely affect (1) the market price or the marketability of the Bonds or the market for obligations having the general character of the Bonds, or (2) the ability of the Underwriter to enforce contracts or orders for the sale of the Bonds at the contemplated offering prices; or

(xvii) the withholding of registration, exemption or clearance by the blue sky or securities authorities of any state because of a change in or new interpretation of law occurring after the date of this Bond Purchase Agreement, the effect of which, in the reasonable judgment of the Underwriter, is to materially adversely affect (i) the market price or marketability of a substantial portion of the Bonds or the market for obligations having the general character of the Bonds, or (ii) the ability of the Underwriter to enforce contracts or orders for the sale of a substantial portion of the Bonds at the contemplated offering prices; or

(xviii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's, S&P, or Fitch of any debt securities issued by the City (other than revenue debt), or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the City (other than revenue debt), including the Bonds.

(e) at or prior to the Closing, the Underwriter must receive the following:

(i) the unqualified approving opinion of Bond Counsel with respect to the Bonds, dated the date of Closing, addressed to the City and the Trustee, and substantially in the form attached to the Official Statement as Appendix D;

(ii) a supplemental opinion of Bond Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as Exhibit C;

(iii) an opinion of Emanuel McGirt, Esq., City Attorney, dated as of the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as Exhibit D;

(iv) opinions of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter, in substantially the forms attached hereto as Exhibit E;

(v) a copy, certified by the Secretary or any Deputy Secretary of the LGC to be a true and correct copy, of the resolution of the LGC approving the issuance of and awarding the Bonds;

(vi) a certificate, dated the date of the Closing, signed by the Secretary or a Deputy Secretary of the LGC, to the effect that (1) to the best of such officer's knowledge after due inquiry, the adoption of the resolution authorizing the execution and delivery of this Bond Purchase Agreement by the LGC, the approval of the issuance, sale, execution and delivery of the Bonds, and the execution and delivery of this Bond Purchase Agreement and compliance with the provisions thereof under the circumstances contemplated thereby do not and will not conflict with any court decree or any public administrative regulation to which the LGC is subject; (2) to the best of such officer's knowledge after due inquiry, there is no litigation at law or in equity or any proceeding before any governmental agency pending or threatened to restrain or enjoin the issuance or delivery of the Bonds or the execution or delivery by the LGC of this Bond Purchase Agreement or the performance by the LGC of its obligations hereunder and (3) Appendix E to the Official Statement did not as of its date and does not as of the date of Closing contain any untrue statement of a material fact or omit to state a material fact required to be stated therein for the purpose for which Appendix E to the Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) a certificate, dated as of the date of Closing, signed by a City official satisfactory to the Underwriter, to the effect that:

(A) the representations and warranties of the City set forth in this Bond Purchase Agreement are true, accurate and complete in all material respects as of the date of Closing and the conditions to be complied with and obligations to be performed by the City hereunder on or prior to the date of Closing have been complied with and performed;

(B) except as may be disclosed in the Official Statement, there is no litigation or any other proceeding before any court or governmental body or agency pending or, to the best of such official's knowledge, after reasonable investigation, threatened against or affecting the City or any members of the City Council of the City (nor, to the best of such official's knowledge, is there any basis therefor), restraining or enjoining the sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the sale thereof, or wherein an unfavorable decision, ruling or finding would materially and adversely affect (1) the transactions contemplated by this Bond Purchase Agreement or the Official Statement, (2) the organization, existence or powers of the City or the title to the office of any of the members of the City Council of the City, (3) the business, properties or assets or the condition, financial or otherwise, of the City, (4) the validity or enforceability of the Trust Agreements, this Bond Purchase Agreement or the Bonds (or any other agreement or instrument of which the City is a party, used or contemplated for use in the consummation of the transactions contemplated hereby) or (5) the tax treatment of the interest on the Bonds as described in the Official Statement; and

(C) the Official Statement did not as of its date and does not as of the date of Closing contain any untrue statement of a material fact or omit to state a material fact

required to be stated therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that no representation or warranty is made with respect to the information relating to the offering of the Bonds set forth on the inside cover page of the Official Statement or the information under the heading “MISCELLANEOUS—UNDERWRITING” in, and Appendices E and F to, the Official Statement;

(viii) a certified copy of the necessary resolutions, proceedings and certificates of the City relating to the approval and sale of the Bonds;

(ix) executed copies of the City’s certifications as to arbitrage and other matters relative to the tax status of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”);

(x) copies of the blue sky survey indicating the jurisdictions in which the Bonds may be sold in compliance with the “blue sky” or securities laws of such jurisdictions;

(xi) Letters from Moody’s, S&P, and Fitch to the effect that the Bonds have been assigned a rating of “Aaa,” “AAA” and “AAA,” respectively;

(xii) evidence satisfactory to the Underwriter of the City’s compliance with all requirements under the Trust Agreement regarding the issuance of Bonds (as defined in the Trust Agreement) thereunder;

(xiii) a letter of representations from the City to DTC;

(xiv) a certificate of the City to the effect that all fees and other costs due from the City to the LGC in connection with the transactions contemplated hereby have been paid;

(xv) executed counterparts of the Trust Agreement, the First Supplemental Trust Agreement and the Official Statement, and specimen copies of the Bonds; and

(xvi) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Bond Purchase Agreement will be deemed to be in compliance with the provisions of this Bond Purchase Agreement if, but only if, in the reasonable judgment of the Underwriter and counsel to the Underwriter, they are satisfactory in form and substance. The Underwriter hereby reserves the right to waive any of the conditions to the obligations of the Underwriter set forth above.

Section 8.

The City shall pay from the proceeds of the Bonds or other available funds all expenses incident to the City’s obligations hereunder and in connection with the authorization, execution, delivery and sale of the Bonds to the Underwriter, including, but not limited to, the cost of printing and distributing the Bonds, the Preliminary Official Statement, the Official Statement, rating agency fees, the fees and expenses of Bond Counsel, the fees and expenses of the LGC and the Trustee and additional miscellaneous fees and costs (including, but not limited to, meals, transportation and lodging of employees of the transaction participants, which may be included in the expense component of the Underwriter’s discount) incurred in connection with and related to the transaction.

The Underwriter shall pay their out-of-pocket expenses, the fees and expenses of Underwriter's Counsel, the cost of the blue sky memorandum, any advertising expenses in connection with a public offering of the Bonds, fees of the CUSIP Service Bureau and any fees of the Municipal Securities Rulemaking Board or The Securities Industries and Financial Markets Association.

Section 9.

The City and the LGC acknowledge and agree that the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the LGC, the City and the Underwriter and the Underwriter have no obligation to the LGC or the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement. In connection with this transaction, the Underwriter will be acting solely as a principal and not as the LGC's or the City's agent, advisor or fiduciary. No Underwriter has assumed a fiduciary responsibility with respect to this transaction, and nothing in this transaction or in any prior relationship between the LGC or the City and any of the Underwriter will be deemed to create an advisory, fiduciary or agency relationship between the City and such Underwriter in respect of this transaction. The City has engaged Hilltop Securities, Inc. as an independent advisor to advise it in connection with this transaction and has consulted its own legal and other advisors to the extent it has deemed appropriate.

Section 10.

(a) To the fullest extent permitted by applicable law, the City agrees to indemnify and hold harmless the Underwriter and the LGC against any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities or claims (or actions in respect thereof), to which the Underwriter, the LGC or the other persons described in subsection (b) of this Section may become subject under any federal or state securities laws or other statutory law or at common law or otherwise, caused by or arising out of or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading unless such untrue statement or misleading statement, such alleged untrue statement or alleged misleading statement, or such omission or alleged omission was made in reliance upon and in conformity with information furnished to the City by the Underwriter expressly for use in the Preliminary Official Statement or the Official Statement, including any amendment thereto.

(b) The indemnity provided under this Section will extend on the same terms and conditions to each officer, director, member, employee, agent or attorney of the Underwriter and the LGC, and each person, if any, who controls the Underwriter and the LGC within the meaning of Section 15 of the 1933 Act or Section 20 of the Securities Exchange Act of 1934 ("*indemnified party*"). Such indemnity will also extend, without limitation, to any and all expenses whatsoever reasonably incurred by any indemnified party in connection with investigating, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any loss, damage, expense, liability or claim referred to in subsection (a) of this section (or action in respect thereof), whether or not resulting in any liability, and will include the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein, if such settlement is effected with the written consent of the City. Neither the officers, members, agents or employees of the LGC shall be personally liable for the performance of any obligation under this Bond Purchase Agreement.

(c) Within a reasonable time after an indemnified party under subsections (a) and (b) of this Section has been served with the summons or other first legal process or has received written notice of the

threat of a claim in respect of which an indemnity may be claimed, such indemnified party must, if a claim for indemnity in respect thereof is to be made against the City under this Section, notify the City in writing of the commencement thereof; but the omission to so notify the City will not relieve it from any liability that it may have to any indemnified party other than pursuant to subsections (a) and (b) of this Section. The City is entitled to participate at its own expense in the defense, and if the City so elects within a reasonable time after receipt of such notice, or as all indemnified parties seeking indemnification in such notice so direct, the City will assume the defense of any suit brought to enforce any such claim, and such defense will be conducted by counsel chosen promptly by the City and reasonably satisfactory to the indemnified party; provided, however, that, if the defendants in any action include an indemnified party and the City, or include more than one indemnified party, each indemnified party will have the right to employ separate counsel in such action (and the City will not be entitled to assume the defense thereof on behalf of such indemnified party), and in such event the reasonable fees and expenses of such counsel will be borne by the City. Notwithstanding the foregoing, the LGC shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses of such counsel shall be paid by the City.

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

If an indemnified party has knowledge of a claim subject to the contribution provided by this subsection, such indemnified party agrees, within a reasonable time of obtaining such knowledge, to convey notice of such claim to the City. It is agreed and understood that if the indemnified party fails, under the circumstances set forth in the preceding sentence, to convey the above-referenced notice to the City, then the City will not be obligated to provide contribution pursuant to this subsection.

The City, the LGC and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection were determined by any method of allocation that does not take account of the equitable considerations referred to in this subsection. The amount paid or payable by an indemnified party as a result of the losses, damages, expenses, liabilities or claims (or actions in respect

thereof) referred to in this subsection will be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

The indemnity and contribution provided by this Section is in addition to any other liability that the City may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of the indemnified party, and its respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Bond Purchase Agreement.

Section 11.

Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing as follows:

If to the LGC:

Local Government Commission
Long Leaf Building
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

If to the City:

City of Greenville, North Carolina
City Hall
200 West Fifth Street,
Greenville, North Carolina 27834
Attention: Director of Financial Services

If to the Underwriter:

Robert W. Baird & Co.
380 Knollwood Street
Winston Salem, North Carolina 27103
Attention: Ryan Maher, Managing Director

Section 12.

This Bond Purchase Agreement is made solely for the benefit of the Underwriter, the LGC and the City (including their successors or assigns) and no other person, partnership, association or corporation will acquire or have any right hereunder or by virtue hereof.

Section 13.

This Bond Purchase Agreement will be governed by and construed in accordance with the laws of the State of North Carolina.

Section 14.

The Underwriter understands 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 Underwriter uses 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 Underwriter will require that any subcontractor it uses in connection with the transactions contemplated by this Bond Purchase Agreement certify to such subcontractor’s compliance with E-Verify.

Section 15.

This Bond Purchase Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.

Section 16.

All representations, warranties and agreements in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Bond Purchase Agreement.

[SIGNATURE PAGES TO FOLLOW]

Very truly yours,

ROBERT W. BAIRD & CO.

By: _____
Ryan Maher
Managing Director

(SIGNATURES CONTINUED)

**LOCAL GOVERNMENT COMMISSION OF
NORTH CAROLINA**

By: _____
Greg C. Gaskins
Secretary

(SIGNATURES CONTINUED)

CITY OF GREENVILLE, NORTH CAROLINA

By: _____
Bernita Demery
Director of Financial Services

EXHIBIT A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

DUE MARCH 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP¹	AT LEAST 10% SOLD AT INITIAL PUBLIC OFFERING	MATURITIES SUBJECT TO HOLD- THE-OFFERING- PRICE RULE
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EXHIBIT B

ISSUE PRICE CERTIFICATE

[\$Amount]
CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018

The undersigned, Robert W. Baird & Co. (the “*Underwriter*”) hereby certifies as set forth below with respect to the execution and delivery of the above-captioned obligation (the “*Bonds*”).

1. *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

a. The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

b. As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*hold-the-offering-price rule*”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering price rule.

3. *Defined Terms.*

a. *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “*General Rule Maturities.*”

b. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities.*”

c. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (February 15, 2018), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

d. *Issuer* means the City of Greenville, North Carolina.

e. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

f. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “*related party*” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

g. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 8, 2018.

h. *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Issuer’s tax certificates and with respect to compliance with the federal income tax rules affecting the Bonds, and by Womble Bond Dickinson (US) LLP, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

ROBERT W. BAIRD & CO.

By: _____
Ryan Maher
Managing Director

Dated: March 1, 2018

SCHEDULE A

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

(Attached)

EXHIBIT C

[Letterhead of Bond Counsel]

March 1, 2018

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

**[\$AMOUNT]
CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018**

Ladies and Gentlemen:

We have served as Bond Counsel to the City of Greenville, North Carolina (the “City”) in connection with the issuance and sale of the above-referenced bonds (the “Bonds”) under the terms of a Trust Agreement dated as of March 1, 2018 (the “Trust Agreement”), between the City and [Name of Trustee], as trustee (the “Trustee”), as supplemented and amended by a First Supplemental Trust Agreement dated as of March 1, 2018 (the “First Supplemental Trust Agreement” and together with the Trust Agreement, the “Trust Agreements”) between the City and the Trustee. All capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreements.

The Bonds are being purchased on the date hereof by Robert W. Baird & Co. (the “Underwriter”) under the terms of a Bond Purchase Agreement dated February 8, 2018 (the “Bond Purchase Agreement”), among the Local Government Commission of North Carolina (the “LGC”), the City and the Underwriter.

In our capacity as Bond Counsel, we have on this date delivered our principal opinion relating to the legality of the authorization and execution and delivery of the Bonds pursuant to the Trust Agreements, the tax status of interest on the Bonds and certain other matters, which opinion may be relied on by you to the same extent as if addressed to you.

In connection with this opinion, we have examined and are familiar with original or copies, certified or otherwise identified to our satisfaction, of various documents, certificates and opinions of counsel, including the Bond Purchase Agreement, the Preliminary Official Statement dated January 29, 2018 and the Official Statement dated February 8, 2018 (collectively, the “Official Statement”), and have examined such other documents, certificates, opinions of counsel, instruments and records, and have made such investigations of law, as we have deemed necessary and appropriate as a basis for the opinions hereinafter expressed. In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of originals of such copies. As to any facts material to this opinion which we did not independently establish or verify, we have relied upon statements and representations of officers and other representative of the City, the LGC and others.

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

1. The LGC has full power and authority to approve the issuance of the Bonds and to sell the same as provided in the Bond Purchase Agreement, and the LGC has taken all action required in connection therewith.

2. The adoption by the LGC of the resolution authorizing the issuance and sale of the Bonds and the execution and delivery of the Bond Purchase Agreement (the "*LGC Resolution*"), the approval of the issuance and sale of the Bonds and the execution and delivery of the Bond Purchase Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, (a) to the best of our knowledge after due inquiry, do not and will not in any material respect conflict with or constitute on the part of the LGC a breach of or default under any agreement or other instrument to which the LGC is a party or by which it is bound in any way which would affect the validity or delivery of the Bonds and (b) do not and will not conflict with, violate or result in a breach of any federal or North Carolina constitutional or statutory provision.

3. No further consent, authorization or order of any governmental or regulatory authority is required to be obtained as a condition precedent to the sale of the Bonds or the execution and delivery of the Bond Purchase Agreement, except that we express no opinion as to any regulatory requirement applicable to the Underwriter or any action required under state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriter.

4. The Bond Purchase Agreement has been duly authorized, executed and delivered by the LGC and the City, assuming due authorization, execution and delivery thereof by the Underwriter, is a legal, valid and binding agreement of the LGC and the City enforceable against the LGC and the City in accordance with its terms, except that the enforceability thereof may be subject to bankruptcy, insolvency, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and by general equitable principles. We note, however, that the covenants of the City in the Bond Purchase Agreement relating to indemnification and contribution are given to the extent permitted by law, and we express no opinion with respect to whether such covenants are permitted by law.

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

6. All conditions to issuing the Bonds required by the Trust Agreements have been satisfied.

7. The information contained in the Official Statement under the captions "**THE 2018 BONDS**", "**SECURITY AND SOURCES OF PAYMENT**," and "**CONTINUING DISCLOSURE OBLIGATION**" in, and Appendix C to, the Official Statement, insofar as such information purports to summarize certain provisions of the Trust Agreements and the Bonds, present a fair and accurate summary of such provisions. The information contained in the Official Statement under the caption "**LEGAL MATTERS--TAX TREATMENT**" is true and accurate.

8. In connection with the offering and sale of the Bonds, the Bonds and the Trust Agreements are not subject to the registration requirements of the Securities Act of 1933, as amended, or the qualification requirements of the Trust Indenture Act of 1939, as amended.

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

Very truly yours,

EXHIBIT D

[Letterhead of City Attorney]

March 1, 2018

City Council of the
City of Greenville, North Carolina

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

[Name of Trustee]
[Address]

Womble Bond Dickinson (US) LLP
Raleigh, North Carolina

**[\$AMOUNT]
CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018**

Ladies and Gentlemen:

I have acted as the City Attorney for the City of Greenville, North Carolina (the “City”) in connection with the issuance and sale of the above-referenced bonds (the “Bonds”) under the terms of a Trust Agreement dated as of March 1, 2018 (the “Trust Agreement”), between the City and [Name of Trustee], as trustee (the “Trustee”), as supplemented and amended by a First Supplemental Trust Agreement dated as of March 1, 2018 (the “First Supplemental Trust Agreement” and together with the Trust Agreement, the “Trust Agreements”) between the City and the Trustee. All capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreements.

The Bonds are being purchased on the date hereof by Robert W. Baird & Co. (the “Underwriter”) under the terms of a Bond Purchase Agreement, dated February 8, 2018 (the “Bond Purchase Agreement”), among the Local Government Commission (the “LGC”), the City and the Underwriter. All capitalized terms used herein not otherwise defined shall have the meanings given such terms in the Bond Purchase Agreement.

In such capacity, I have examined the following:

- (a) the Act;
- (b) certain proceedings taken by the City Council of the City, including the bond order (the “Bond Order”);
- (c) an executed copy of each of the First Supplemental Trust Agreement and the Trust Agreement;
- (d) an executed copy of the Bond Purchase Agreement;
- (e) the Preliminary Official Statement and the Official Statement; and

(f) such other information and documents as I have deemed relevant in order to render this opinion.

Based on such examination, I am of the opinion, as of the date hereof and under existing law, that:

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

2. The City has duly adopted the Bond Order.

3. 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 City of the Trust Agreements and the Bond Purchase Agreement and any other transactions effected or contemplated thereby have been obtained, except that I 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 Underwriter or under The State and Local Government Bond Revenue Act.

4. The City 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 City is a party or is otherwise subject, which breach or default would in any way materially adversely affect the transactions contemplated by the Trust Agreements and the Bond Purchase Agreement 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.

5. The issuance of the Bonds, the execution and delivery of the Trust Agreements and the Bond Purchase 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 City is a party or by which the City or its property is bound.

6. To the best of my knowledge after reasonable investigation, there is no action, suit, proceeding, inquiry or investigation at law or in equity before any court, public board or body pending or 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 Trust Agreements, the Bonds and the Bond Purchase Agreement or the tax treatment of interest on the Bonds as described in the Official Statement.

7. The City has duly authorized and delivered the Official Statement and has approved the use of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds.

8. On the basis of information made available to me in the course of my representation of the City, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to my attention that would lead me to believe that the information contained in the Preliminary Official Statement and the Official Statement under the headings **“THE PLAN OF FINANCE,”** **“ESTIMATED SOURCES AND USES OF FUNDS,”** and **“LEGAL MATTERS--LITIGATION”** and in 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.

Respectfully submitted,

EXHIBIT E

[Letterhead of Underwriter's Counsel]

March 1, 2018

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

\$(AMOUNT)
CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018

Ladies and Gentlemen:

This letter is being delivered to you pursuant to the Bond Purchase Agreement dated February 8, 2018 (the "*Purchase Agreement*") among the City of Greenville, North Carolina (the "*City*"), Robert W. Baird & Co. (the "*Underwriter*") and the Local Government Commission of North Carolina, relating to the sale of the above-referenced Bonds. Undefined capitalized terms are used in this letter with the meanings assigned to them in the Purchase Agreement.

We have acted as your counsel in connection with the sale by the LGC of the Bonds and your purchase thereof and, in that capacity, have examined an executed counterpart of each of the Purchase Agreement, the Bond Order, the Trust Agreement, the First Supplemental Trust Agreement and a specimen of the Bonds. We have also examined the originals or copies, certified or otherwise identified to our satisfaction, of such other documents, corporate records and other instruments as we have deemed necessary or advisable for purposes of this letter.

In connection with the preparation of the Official Statement, we have generally reviewed information furnished to us by, and have participated in conferences with, representatives of the City and representatives of the other parties to the agreements set forth above, counsel to the City, your representatives and representatives of Womble Bond Dickinson (US) LLP, Bond Counsel to the City. We have also reviewed other records relating to the authorization, issuance, delivery and sale of the Bonds and have relied on certificates of officials of the City and on written opinions and letters received from counsel to the City and Bond Counsel.

We have considered the information contained in the Official Statement. In the course of our review and discussions and in reliance on the accuracy of the information contained in the aforementioned certificates, written opinions and letters, nothing has come to our attention which leads us to believe that the Official Statement (except for the financial or statistical data included in the Official Statement or in the Appendices thereto, as to which we express no belief), as of the date thereof, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, we are of the opinion that in connection with the offering and sale of the Bonds, the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreements do not need to be qualified under the Trust Indenture Act of 1939, as amended.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

[Letterhead of Underwriter's Counsel]

March 1, 2018

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

\$[AMOUNT]
CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BONDS, SERIES 2018

Ladies and Gentlemen:

This letter is being delivered to you pursuant to the Bond Purchase Agreement dated February 8, 2018 (the "*Purchase Agreement*") among the City of Greenville, North Carolina (the "*City*"), Robert W. Baird & Co. (the "*Underwriter*") and the Local Government Commission of North Carolina, relating to the sale of the above-referenced Bonds. Undefined capitalized terms are used in this letter with the meanings assigned to them in the Purchase Agreement.

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

Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "*SEC*") under the Securities Exchange Act of 1934, as amended (the "*Rule*"), imposes certain requirements on "Participating Underwriters" (as defined in the Rule) relating to secondary market disclosure. Since its adoption in 1989, the Rule has been amended and has been the subject of commentary and interpretation by the SEC (collectively, the releases relating to the Rule and such interpretive materials are referred to as the "*SEC Interpretative Literature*").

On the basis of our review of the Undertaking, the Rule and the SEC Interpretive Literature, we are of the opinion that the Undertaking will permit you to comply with clause (b)(5) of the Rule in connection with the primary offering of the Bonds. In rendering the foregoing opinion, we have assumed the validity and enforceability of the Undertaking.

Respectfully submitted,

PARKER POE ADAMS & BERNSTEIN LLP

Draft No. 1
December 1, 2017

TRUST AGREEMENT

Dated as of March 1, 2018

Between

CITY OF GREENVILLE, NORTH CAROLINA

and

Trustee

Authorizing and Securing

City of Greenville, North Carolina
Stormwater System Revenue Bonds

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EXHIBIT A FORM OF REQUISITION AND CERTIFICATE A-1

TRUST AGREEMENT

This TRUST AGREEMENT, dated as of March 1, 2018, between the CITY OF GREENVILLE, NORTH CAROLINA, a municipal corporation duly organized and existing under the laws of the State of North Carolina (the “City”), and _____, a _____ banking corporation duly organized and existing under the laws of the State of _____ and having a designated corporate trust office in _____, _____, which is authorized under such laws to exercise trust powers (the “Trustee”);

WITNESSETH:

WHEREAS, the City is a municipal corporation duly organized and existing under the laws of the State of North Carolina, and is authorized under Article 5 of Chapter 159, as amended, of the General Statutes of North Carolina (the “Act”), to issue revenue bonds for the purpose of paying the cost of revenue bond projects (as defined in the Act);

WHEREAS, the City desires to issue revenue bonds pursuant to the Act to pay or reimburse the costs of the Initial Project (hereinafter defined);

WHEREAS, the Bonds (hereinafter defined) issued under this Trust Agreement and any Parity Debt (hereinafter defined) will be secured by a pledge of the Net Receipts (hereinafter defined) of the System (hereinafter defined) of the City;

WHEREAS, pursuant to the Act, the City is entering into this Trust Agreement for the purpose of authorizing the issuance of Bonds and securing the payment thereof and any Parity Debt by assigning its rights, title and interest in and to the Net Receipts;

WHEREAS, under the Constitution and laws of the State of North Carolina, including the Act, the City is authorized to enter into this Trust Agreement, to issue the Bonds as hereinafter provided and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted;

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of North Carolina, including the Act, to happen, exist and be performed precedent to and in the execution and delivery of this Trust Agreement have happened, exist and have been performed as so required to make this Trust Agreement a valid and binding trust agreement securing the Bonds and any Parity Debt in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the issuance of Bonds as provided herein, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this Trust Agreement, and for other good and valuable consideration, the receipt and sufficiency whereof is

hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners (hereinafter defined) thereof, and to secure (a) the payment of all Bonds at any time issued and Outstanding (hereinafter defined) under this Trust Agreement and the interest and the redemption premium, if any, thereon according to their tenor, purport and effect, (b) the payment of any Parity Debt and the interest and the redemption premium, if any, thereon according to their tenor, purport and effect and (c) to secure any Derivative Agreement Parity Payments, and to further secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the City has executed and delivered this Trust Agreement, and by this Trust Agreement has given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set over, and pledged, and does hereby give, grant, bargain, alien, remise, release, convey, transfer, assign, confirm, set over, and pledge unto the Trustee, and its successor or successors in trust:

1. All Net Receipts of the System; and

2. All money and securities held by or on behalf of the Trustee in all of the funds, accounts or subaccounts established pursuant to this Trust Agreement, except those funds, accounts and subaccounts that are expressly pledged in a Supplemental Agreement as security only for a specified Series of Bonds and a Special Reserve Account (hereinafter defined) created in a Parity Debt Resolution (hereinafter defined) as security only for such Parity Debt.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in trust and to them and their assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the benefit, security and protection of all and singular the present and future Owners of the Bonds issued or to be issued under and secured by this Trust Agreement and the Holders (hereinafter defined) of any Parity Debt, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond or Parity Debt over any other Bond or Parity Debt by reason of priority in their issue, sale or otherwise, all as herein provided;

PROVIDED, HOWEVER, that if the City, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment, pursuant to the provisions of this Trust Agreement, of the principal of all Bonds and Parity Debt and the interest and any redemption premium due or to become due thereon and all Derivative Agreement Parity Payments, at the times and in the manner mentioned in the Bonds and Parity Debt and this Trust Agreement, according to the true intent and meaning hereof and thereof, and shall cause the payments to be made into the Bond Fund (hereinafter defined) or otherwise as required under this Trust Agreement, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and perform all of its other obligations hereunder, then, upon such performance and payments, this Trust Agreement and the rights hereby granted shall cease, determine and become void, as provided in Article XII hereof; otherwise this Trust Agreement to be and remain in full force and effect.

THIS TRUST AGREEMENT FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder and any Parity Debt or Derivative Agreement Parity Payments secured hereunder are to be issued, authenticated, delivered and dealt with, and all said property hereby given, granted, bargained, aliened, remised, released, conveyed, transferred, assigned, confirmed, set-over and pledged is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners and Holders, from time to time, of Bonds and Parity Debt, or any part hereof, and any counterparty under a Derivative Agreement to which such Derivative Agreement Parity Payments relate as follows:

ARTICLE I

DEFINITIONS; FINDINGS AND DETERMINATIONS

Section 101. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Trust Agreement, the following words and terms as used in this Trust Agreement shall have the following meanings, unless some other meaning is plainly intended:

“Accreted Amount” means with respect to Capital Appreciation Bonds of any Series, the amount set forth in a Supplemental Agreement as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Capital Appreciation Bonds.

“Act” means The State and Local Government Revenue Bond Act, the same being Article 5 of Chapter 159 of the General Statutes of North Carolina.

“Additional Project” means any addition, acquisition, improvement, betterment or extension of or relating to the System. The term “Additional Project” shall not include any Special Purpose Facilities unless the indebtedness incurred to finance the Special Purpose Facilities has been retired or provision has been made for the payment thereof, and the City Council has determined by resolution to include such Special Purpose Facilities as an Additional Project.

“Annual Budget” means the City’s budget for a Fiscal Year adopted pursuant to the provisions of the Local Government Budget and Fiscal Control Act.

“Authorized Officer” means the City Manager, the Director of Financial Services or any other person authorized by resolution of the City to perform the duties imposed on an Authorized Officer by this Trust Agreement whose name is filed pursuant to an Officer’s Certificate with the Trustee for such purpose.

“Balloon Long-Term Indebtedness” means fixed or variable rate Long-Term Indebtedness 25% or more of the principal payments of which are due in a single twelve-month period which portion of the principal is not required by the documents pursuant to which such Indebtedness is incurred to be amortized by redemption or prepayment prior to the expiration of such period; provided, however, that Balloon Long-Term Indebtedness shall not include any Revenue Bond Anticipation Notes issued pursuant to Section 211 which shall be treated as being amortized in the manner set forth in Section 211(d).

“Bond” or “Bonds” means the Series 2018 Bonds and any other bonds issued under the provisions of Section 208 and secured on a parity with each other and any Parity Debt by this Trust Agreement.

“Bond Fund” means the fund created and designated the City of Greenville Stormwater System Bond Fund by Section 501.

“Bond Insurance Policy” means a municipal bond insurance policy, financial guaranty in insurance policy or similar instrument permitted by the Act and obtained in connection with the incurrence of any Parity Indebtedness or Subordinated Indebtedness.

“Bond Insurer” means the Person providing a Bond Insurance Policy, as designated in the Supplemental Agreement providing for the issuance of Bonds or in the Parity Debt Resolution or Subordinated Indebtedness Resolution providing for the incurrence of Parity Debt or Subordinated Indebtedness.

“Business Day” means a day on which the Trustee and the New York Stock Exchange are open for the purpose of conducting their businesses.

“Capital Appreciation Bonds” means Bonds the interest on which is compounded at the rates and on the dates set forth in a Supplemental Agreement and is payable upon redemption or on the maturity date of such Bonds; provided, however, that nothing in this Trust Agreement shall prohibit the City from designating in the appropriate Supplemental Agreement any such Bonds by a name other than Capital Appreciation Bonds.

“Capital Improvements Budget” for any Fiscal Year means the budget for capital improvements adopted by the City in accordance with Section 705.

“Capitalized Interest Account” means the account in the Bond Fund created and so designated by Section 501.

“Capital Reserve Fund” means the fund created and designated the City of Greenville Stormwater System Capital Reserve Fund by Section 501.

“Director of Financial Services” means the person appointed or employed by the City to perform the duties imposed on the Director of Financial Services by this Trust Agreement.

“City Attorney” means the attorney or law firm designated by the City from time to time to perform the duties of City Attorney, including any assistant or deputy City Attorney.

“City Clerk” means the person appointed or employed by the City to perform the duties imposed on the City Clerk by this Trust Agreement, including any assistant or deputy City Clerk.

“City Manager” means the person appointed or employed by the City to perform the duties imposed on the City Manager by this Trust Agreement.

“Completion Date” means the date of acquisition or completion of the Initial Project, any Additional Project, or of any segment of the foregoing, as the case may be, as certified by the City pursuant to Section 407.

“Completion Indebtedness” means any Long-Term Indebtedness incurred for the purpose of financing the completion of the Initial Project or any Additional Project for which Long-Term Indebtedness has theretofore been incurred in accordance with the provisions hereof, to the extent necessary to complete such Initial Project or Additional Project, in the manner and scope

contemplated at the time that such Long-Term Indebtedness theretofore incurred was originally incurred, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for such Initial Project or Additional Project, as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Long-Term Indebtedness theretofore incurred was originally incurred.

“Consultant” means one or more independent certified public accountants or firms or corporations of independent certified public accountants, or architects or architectural firms or corporations, or engineers or engineering firms or corporations, or professional management consultants or firms or corporations of professional management consultants, or such other independent Persons each of which has a favorable repute at the time employed for skill and experience in its respective area of work for which it is employed by the City to perform and carry out the duties imposed on a Consultant by this Trust Agreement.

“Cost,” as applied to the Initial Project or any Additional Project, means, without intending thereby to limit or restrict any proper definition of such word under the provisions of the Act or this Trust Agreement, all items of cost which are set forth in Section 403.

“Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar liquidity or credit facility permitted by the Act (but excluding a Bond Insurance Policy) and established or obtained in connection with the incurrence of any Parity Indebtedness or Subordinated Indebtedness.

“Credit Provider” means the Person providing a Credit Facility, as designated in the Supplemental Agreement providing for the issuance of the Bonds or in the Parity Debt Resolution providing for the incurrence of Parity Debt or in the Subordinated Indebtedness Resolution providing for the incurrence of Subordinated Indebtedness. If and to the extent permitted by law, the City may be a Credit Provider for the sole purpose of providing liquidity support with the approval of the Local Government Commission.

“Current Expenses” means the City’s current expenses for the operation, maintenance and repair of the System as determined in accordance with generally accepted accounting principles, except as modified by this definition, including, without limiting the generality of the foregoing,

- (a) all ordinary and usual expenses of operation, maintenance and repair, which may include expenses not annually recurring,
- (b) administrative expenses,
- (c) salaries and other compensation,
- (d) payments to any pension or retirement plan or plans properly chargeable to the System,
- (e) insurance premiums and expenses,

(f) engineering and architectural expenses relating to the operation, maintenance or repair of the System,

(g) fees and expenses of the Trustee, any Depositary, tender agent or paying agent, legal expenses, Credit Facility fees, remarketing fees and fees of consultants,

(h) penalty fees and fees or interest on late payments, and

(i) any other similar-type current expenses required to be paid by the City under this Trust Agreement or by law;

but Current Expenses shall not include

(a) any reserves for extraordinary replacements or repairs,

(b) any allowance for depreciation or any amortization of financing expense,

(c) any accrued expenses for other post-retirement benefits unless such expenses result from (i) the actual payment of benefits to retirees or (ii) the depositing of funds into an irrevocable trust for the purpose of making future payment of benefits to retirees,

(d) any deposits to any fund, account and subaccount created under this Trust Agreement or any Supplemental Agreement and payments of principal, premium, if any, and interest from such funds, accounts and subaccounts, and

(e) any debt service payments or reserves or deposits for debt service payments in respect of Parity Indebtedness, Subordinated Indebtedness or System G.O. Indebtedness or capital leases, installment financing contracts or similar financing arrangements for any component of the System.

“Current Interest Bonds” means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in any Supplemental Agreement.

“Default” means any Event of Default and any event that, after notice or lapse of time or both, would become an Event of Default.

“Defaulted Interest” means Defaulted Interest as defined in Section 202.

“Defeasance Obligations” means noncallable Government Obligations and noncallable Defeased Municipal Obligations.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers which are rated the highest rating category by S&P, Fitch and Moody’s, respectively, provision for the payment of the principal of, premium, if any, and interest on which shall have been made by deposit with a trustee or escrow agent of Government Obligations, the maturing principal of and interest on which, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such

obligations of state or local government municipal bond issuers. References in this definition to state or local government bond issuers shall mean the State of North Carolina and North Carolina local government bond issuers, and, to the extent permitted by law, states other than the State of North Carolina and local government bond issuers other than North Carolina local government bond issuers.

“Depository” means one or more banks or trust companies or other institutions, including the Trustee, duly authorized by law to engage in the banking business and designated by the City as a depository of moneys under this Trust Agreement.

“Derivative Agreement” means an interest rate swap, cap, collar, floor, forward, option, put, call or other agreement, arrangement or security however denominated, entered into in order to hedge interest rate fluctuations on all or a portion of any Indebtedness or to provide debt management by changing payments to be made by the City with respect to all or a portion of any Indebtedness.

“Derivative Agreement Additional Payments” means payments required to be paid by the City under a Derivative Agreement other than Derivative Agreement Scheduled Payments, including termination payments required to be paid in connection with the termination of a Derivative Agreement, whether voluntarily or upon the occurrence of an event of default, termination event or similar event thereunder.

“Derivative Agreement Parity Payments” means Derivative Agreement Scheduled Payments and/or Derivative Agreement Additional Payments that the City determines by resolution of the City Council to be payable on a parity with interest on Parity Indebtedness; provided, however, that the Derivative Indebtedness to which such Derivative Agreement relates must constitute Parity Indebtedness.

“Derivative Agreement Scheduled Payments” means scheduled payments required to be paid by the City under a Derivative Agreement that are based upon a fixed or variable imputed rate on a notional amount set forth in the Derivative Agreement and which are intended by the City to correspond to interest payments on the underlying Derivative Indebtedness.

“Derivative Indebtedness” means the portion of any Indebtedness meeting the requirements set forth in clauses (i) and (ii) below:

(i) in connection with such Indebtedness, the City shall have entered into a Derivative Agreement in respect of all or a portion of such Indebtedness, and

(ii) (A) if such Indebtedness bears interest at a variable rate, such Derivative Agreement provides that during the Derivative Period, the City shall pay to the provider of the Derivative Agreement a fixed rate (the “Synthetic Fixed Rate”) and the provider of the Derivative Agreement shall pay to the City a variable rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness, or (B) if such Indebtedness bears interest at a fixed rate, such Derivative Agreement provides that during the Derivative Period, the City shall pay to the provider of the Derivative Agreement a variable rate (the “Synthetic Variable Rate”) and the provider of the

Derivative Agreement shall pay to the City a fixed rate on a notional amount equal to all or a portion of the Outstanding principal amount of such Indebtedness.

“Derivative Period” means the period during which a Derivative Agreement is in effect.

“Eminent Domain” means the eminent domain or condemnation power by which all or any part of the System may be taken for another public use or any agreement that is reached in lieu of proceedings to exercise such power.

“Event of Default” means each of those events of default set forth in Section 802.

“Existing Facilities” means all of the structural and natural stormwater system facilities owned and operated by the City as of the date of issuance of the Series 2018 Bonds.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the following year.

“Fitch” means Fitch Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“General Fund” means the existing general fund of the City.

“Government Obligations” means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America in either certificated or book-entry form, including (a) stripped Government Obligations stripped by the United States Treasury itself and (b) interest only portions of obligations issued by the Resolution Funding Corporation.

“Grant Anticipation Notes” means any grant anticipation notes issued by the City in compliance with the provisions of Section 212.

“Holder” means the holder or owner of Parity Debt or Subordinated Indebtedness.

“Income Available for Debt Service” means for any period specified the City’s excess of Revenues over Current Expenses; provided, however, that Income Available for Debt Service shall not take into account any unrealized loss or gain resulting from the valuation of Derivative Agreements.

“Indebtedness” means all obligations incurred or assumed by the City in connection with the ownership or operation of the System:

(a) for payments of principal and interest with respect to borrowed money, including any obligation to repay a Credit Provider for moneys drawn to pay and retire or purchase Indebtedness; and

(b) for payments under leases which are required to be capitalized in accordance with generally accepted accounting principles and under installment or lease purchase or conditional sale contracts;

provided, however, that (i) Indebtedness shall include only such obligations as are secured by Net Receipts, (ii) any obligation to pay a Credit Provider for moneys drawn to purchase, but not pay and retire, Indebtedness shall constitute Indebtedness only to the extent such payments are in excess of any scheduled payments of principal and interest required to be made to such Credit Provider as an Owner or Holder of such Indebtedness and (iii) Indebtedness shall not include System G.O. Indebtedness.

“Initial Project” means the stormwater system improvements financed with the proceeds of the Series 2018 Bonds, as more particularly described in the Supplemental Agreement for the Series 2018 Bonds.

“Insurance and Condemnation Award Fund” means the fund created and designated the City of Greenville Stormwater System Insurance and Condemnation Award Fund by Section 501.

“Insurance Consultant” means a Person independent from the City having a favorable reputation in the State for skill and experience in dealing with the insurance requirements of enterprises similar to the System and in performing the duties to be imposed upon the Insurance Consultant by this Trust Agreement, including a Consultant employed by the North Carolina League of Municipalities meeting such requirements.

“Interest Account” means the account in the Bond Fund created and so designated by Section 501.

“Interest Payment Date” means, with respect to any Series of Bonds, each of the interest payment dates provided for in the Supplemental Agreement relating to such Series.

“Investment Obligations” means any investment now or hereafter permitted for investment of funds by the City by Section 159-30 of the General Statutes of North Carolina or any successor statute.

“Local Government Budget and Fiscal Control Act” means Article 3 of Chapter 159 of the General Statutes of North Carolina.

“Local Government Commission” means the Local Government Commission of North Carolina, a division of the Department of State Treasurer, established by Section 159-3 of the General Statutes of North Carolina, and any successor or successors thereto. When the consent or approval of the Local Government Commission is required by the terms of this Trust Agreement, such consent or approval may be obtained from the Local Government Commission, the Executive Committee of the Local Government Commission or any authorized representative of the Local Government Commission.

“Long-Term Debt Service Requirement” means, for any period of twelve (12) consecutive calendar months for which such determination is made, the aggregate of the required deposits to be made in respect of Principal and interest (whether or not separately stated) on Outstanding Long-Term Indebtedness during such period, also taking into account:

(a) with respect to Balloon Long-Term Indebtedness, if so determined by the City, the amount of principal which would be payable in such period if such principal were amortized from the date of incurrence thereof over a period of twenty (20) years (or the actual number of years over which such Balloon Long-Term Indebtedness is being amortized, if greater than twenty (20) years, but in no event greater than thirty (30) years) on a level debt service basis at an interest rate equal to the current market rate for an obligation with such assumed amortization as set forth in an opinion of a banking institution or an investment banking institution knowledgeable in municipal utility finance delivered to the Trustee as the interest rate at which the City could reasonably expect to borrow the same by incurring Indebtedness with the same term as assumed above; provided, however, that if the date of calculation is within twelve (12) calendar months of the actual final maturity date of such Indebtedness, the full amount of principal payable at maturity shall be included in such calculation, unless a binding commitment by an institutional lender or municipal underwriting firm exists, which binding commitment may contain typical and customary conditions, to provide financing to refinance such Indebtedness and such commitment provides for the refinancing of such Indebtedness on terms which would, if such commitment was implemented, constitute Long-Term Indebtedness, then in such case the payment terms contained in such commitment shall be utilized for purposes of calculating the Long-Term Debt Service Requirement with respect to such Balloon Long-Term Indebtedness;

(b) with respect to Long-Term Indebtedness which is Variable Rate Indebtedness, the interest on such Indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve (12) month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve (12) month period), except that with respect to new Variable Rate Indebtedness proposed to be incurred, the assumed interest rate for such Variable Rate Indebtedness for the initial interest rate period shall be the lower of (i) the rate (as certified by a financial institution or investment banking firm acceptable to the City) which is equal to the average of the actual interest rates which would have been in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve (12) month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve (12) month period) and (ii) the initial rate to be borne by such Variable Rate Indebtedness, and thereafter shall be calculated as set forth above;

(c) with respect to Long-Term Indebtedness which is incurred or issued as direct subsidy bonds pursuant to the Internal Revenue Code of 1986, as amended (the “Code”), any subsidy payments received from the United States with respect to such Long-Term Indebtedness should be credited against the interest paid on such Long-Term Indebtedness, but only to the extent deposited in any account or subaccount of the Bond Fund or otherwise used to pay interest on

Long-Term Indebtedness, and with respect to new Long-Term Indebtedness proposed to be incurred or issued as direct subsidy bonds pursuant to program established under the Code, the assumed interest rate for such Long-Term Indebtedness shall be determined by subtracting the applicable direct subsidy percentage from the stated interest rate, but only to the extent that the City is or will be required to deposit the interest subsidy payments in any account or subaccount of the Bond Fund or to otherwise use such payments to pay interest on Long-Term Indebtedness;

(d) with respect to any Credit Facility, to the extent that such Credit Facility has not been used or drawn upon, the principal and interest relating to such Credit Facility shall not be included in the Long-Term Debt Service Requirement; and

(e) with respect to Derivative Indebtedness, during any Derivative Period and for so long as the provider of the Derivative Agreement has not defaulted on its payment obligations under the Derivative Agreement, the amount of interest payable on such Derivative Indebtedness shall be calculated as follows:

(1) if such Derivative Indebtedness bears interest at a variable rate, at the Synthetic Fixed Rate; and

(2) if such Derivative Indebtedness bears interest at a fixed rate, at the Synthetic Variable Rate (calculated as provided in subparagraph (b) above);

provided, however, that accrued and capitalized interest shall be excluded from the determination of Long-Term Debt Service Requirement to the extent the same is provided from the proceeds of the Long-Term Indebtedness or otherwise provided so as to be available for deposit into an account for capitalized interest or similar account not later than the date of delivery of and payment for such Long-Term Indebtedness; and provided further that notwithstanding the foregoing, the aggregate of the payments to be made with respect to principal and interest on Outstanding Long-Term Indebtedness shall not include principal or interest payable from Qualified Escrow Funds.

“Long-Term Indebtedness” means all Indebtedness for any of the following:

(a) money borrowed for an original term, or renewable at the option of the City for a period from the date originally incurred, of longer than one year;

(b) leases which are required to be capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the City for a period from the date originally incurred, of longer than one year; and

(c) installment purchase, installment financing or conditional sale contracts having an original term in excess of one year.

Long-Term Indebtedness shall include Short-Term Indebtedness if a Credit Facility exists to provide financing to retire such Short-Term Indebtedness and such Credit Facility provides for the repayment of principal on terms which would, if such commitment were implemented,

constitute Long-Term Indebtedness. Long-Term Indebtedness shall also include the current portion of Long-Term Indebtedness. Long-Term Indebtedness shall only include the obligations described in (a), (b) and (c) to the extent that such obligations are Indebtedness, as herein defined.

“Maximum Long-Term Debt Service Requirement” means the highest Long-Term Debt Service Requirement for the present and any succeeding Fiscal Year.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Net Eminent Domain Proceeds” means the gross proceeds paid to the City as a final award for the taking by Eminent Domain of any of the System less payment of attorneys’ and other fees and expenses properly incurred in the collection of such gross proceeds.

“Net Insurance Proceeds” means the gross proceeds paid to the City as a result of any casualty insurance policy with respect to the System or as a result of any liability insurance policy less payment of attorneys’ and other fees and expenses properly incurred in the collection of such gross proceeds.

“Net Receipts” for any particular period means the excess, if any, of Receipts after the payment of Current Expenses for such period.

“Officer’s Certificate” means a certificate signed by an Authorized Officer.

“Outstanding” when used with reference to Bonds means, as of a particular date, all Bonds theretofore authenticated and delivered under this Trust Agreement, except:

- (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds deemed to be no longer Outstanding pursuant to Section 304;
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Trust Agreement;
- (d) Bonds deemed to have been paid in accordance with Article XII; and
- (e) Bonds constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Supplemental Agreement in lieu of which other Bonds have been delivered under such Supplemental Agreement.

When used with reference to Parity Debt, “Outstanding” means, as of a particular date, all Parity Debt except:

(a) Parity Debt theretofore canceled by the City;

(b) Parity Debt for the payment or redemption of which money, Defeasance Obligations, or a combination of both, in an amount sufficient to pay on the date when such Parity Debt is to be paid or redeemed the principal amount of or Redemption Price of, and the interest accruing to such date on, the Parity Debt to be paid or redeemed, has been deposited with an escrow agent in trust for the Holders of such Parity Debt; Defeasance Obligations shall be deemed to be sufficient to pay or redeem Parity Debt on a specified date if the principal and the interest on such Defeasance Obligations, when due, together with any money left uninvested, will be sufficient to pay on such date the principal amount of or Redemption Price of, and the interest accruing on, such Parity Debt to such date;

(c) Parity Debt in exchange for or in lieu of which other Parity Debt has been delivered under the documentation securing such Parity Debt;

(d) Parity Debt deemed to have been paid in accordance with the defeasance or like provisions of the Parity Debt Resolution providing for the issuance of the Parity Debt; and

(e) Parity Debt constituting Put Indebtedness deemed to have been purchased in accordance with the provisions of the applicable Parity Debt Resolution in lieu of which other Parity Debt has been incurred under the Parity Debt Resolution.

“Owner” means a Person in whose name a Bond is registered in the registration books provided for in Section 205.

“Parity Debt” means all Indebtedness incurred by the City in respect of the System and not evidenced by Bonds which is secured on a parity (as so designated in the Parity Debt Resolution) with the Bonds by a pledge, charge and lien upon the Net Receipts as provided in this Trust Agreement, including, without limiting the generality of the foregoing, Section 515.

“Parity Debt Resolution” means the resolution and any other documentation adopted or executed and delivered by the City providing for the incurrence of Parity Debt. If Parity Indebtedness is to be the subject of a Credit Facility providing for repayments for draws under the Credit Facility on a parity basis, then the term Parity Debt Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the City in connection with the provision of a Credit Facility for any Series of Bonds or any Parity Debt.

“Parity Indebtedness” means the Bonds and Parity Debt.

“Parity Reserve Account” means the account in the Bond Fund created and so designated by Section 501.

“Parity Reserve Account Requirement” means the lesser of (i) the Maximum Long-Term Debt Service Requirement for all Bonds and Parity Debt secured by the Parity Reserve Account, (ii) 125% of the average annual Long-Term Debt Service Requirement for all Bonds and Parity Debt secured by the Parity Reserve Account and (iii) 10% of the stated principal amount of all Bonds and Parity Debt secured by the Parity Reserve Account; provided, however, that if any

Series of Bonds or Parity Debt secured by the Parity Reserve Account has original issue discount or premium that exceeds 2% of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriter's compensation, the initial offering prices to the public shall be used in lieu of the stated principal amount for purposes of the 10% limitation. The Parity Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as the City may determine.

“Parity Resolution” means a Supplemental Agreement or a Parity Debt Resolution, or both, as the case may be, authorizing the issuance of a Series of Bonds or the incurrence of Parity Debt.

“Permitted Encumbrances” means in addition to any charge created or permitted by this Trust Agreement upon the System or any part thereof or on the Net Receipts:

(a) liens for taxes or other governmental charges or levies not delinquent or that are being contested in good faith by the City;

(b) (i) covenants, easements, encumbrances, defects of title, reservations, restrictions and conditions existing at the time of delivery of the Series 2018 Bonds and (ii) defects, irregularities, encumbrances, easements, including easements for roads and public utilities and similar easements, rights of way, mineral conveyances, mineral reservations, and clouds on title, none of which materially impairs the use of the property affected thereby for its intended purposes;

(c) mechanics', workers', repairmen's, architects', engineers', surveyors', or carriers' liens or other similar liens provided that the same shall be discharged in the ordinary course of business and without undue delay or the validity of the same shall be contested in good faith with any pending execution thereof appropriately stayed;

(d) other liens, charges and encumbrances that do not prevent or materially impair the use of the System; and

(e) encumbrances on property, plant and equipment comprising a part of the System to the extent permitted by Section 711.

“Person” includes corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 210 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

“Principal” means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the

Accreted Amount being deemed unearned interest) except as used in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond and the difference between the Accreted Amount and the initial public offering price shall be deemed to be interest and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity or in satisfaction of a Sinking Fund Requirement, if applicable.

“Principal Account” means the account in the Bond Fund created and so designated by Section 501.

“Project Fund” means the fund created and designated the City of Greenville Stormwater System Project Fund by Section 401.

“Put Indebtedness” means fixed or variable rate Long-Term Indebtedness 25% or more of the principal of which may, at the option of the Owner or Holder thereof, be tendered to the City, the Trustee, a Depository or a paying agent or other fiduciary, or an agent of any of the foregoing, for payment or purchase at one time.

“Qualified Escrow Funds” means amounts deposited in a segregated escrow fund or other similar fund or account in connection with the issuance of Long-Term Indebtedness which fund or account is required by the documents establishing such fund or account to be applied toward the City’s payment obligations with respect to principal or interest on (a) the Long-Term Indebtedness which is incurred under the documents establishing such fund or account or (b) Long-Term Indebtedness which is incurred prior to the establishment of such fund or account.

“Receipts” means all receipts, revenues, income, proceeds and money received in any period by or for the City in respect of the System, including, but without limiting the generality of the foregoing,

(a) all payments, proceeds, fees, charges, rents, penalties and all other income derived by or for the City for the use of and for the services and facilities furnished by or from the operation or ownership of the System, and all other income derived by the City from the operation or ownership of the System, and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, and

(b) any proceeds of use and occupancy or business interruption insurance;

(c) developer and impact fees and special assessments unless (i) such amounts are restricted as to use in a manner inconsistent with their use as Receipts under this Trust Agreement or (ii) an Officer’s Certificate is filed with the Trustee stating that, pursuant to a resolution adopted by the City Council, such developer or impact fees or special assessments are not to be included as Receipts for purposes of this Trust Agreement,

but there shall not be included in “Receipts”

- (a) the proceeds of any gifts, grants, bequests, contributions or donations,
- (b) the proceeds from the sale or disposition of all or any part of the System,
- (c) reimbursements received by the City of advances made by it in respect of (i) the Initial Project, (ii) any Additional Project, (iii) any refinancing of Indebtedness and (iv) any capital improvements;
- (d) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the City in any funds, accounts and subaccounts established by or pursuant to this Trust Agreement, but only to the extent such income and gains as so realized are required to be deposited to some fund, account or subaccount other than the Revenue Fund or the Bond Fund as may be provided in this Trust Agreement or in any Parity Resolution,
- (e) to the extent and for so long as such payments are pledged to secure the financing of the same, debt service or other payments made to the City in respect of Special Purpose Facilities, except to the extent otherwise provided by the City in respect of any such payments,
- (f) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance,
- (g) the proceeds of any appropriation made by any political subdivision in the State or by the State or any State Agency unless the proceeds of any such appropriation are designated, in whole or in part, as Receipts by the City,
- (h) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement,
- (i) the proceeds of any security deposits or moneys received to make refunds to users,
- (j) the proceeds derived from any Derivative Agreement,
- (k) the proceeds of any Indebtedness,
- (l) any developer and impact fees and special assessments that are (i) restricted as to use in a manner inconsistent with their use as Receipts under this Trust Agreement or (ii) determined by resolution of the City Council not to be included as Receipts for purposes of this Trust Agreement, as evidenced by an Officer's Certificate filed with the Trustee, and
- (m) any amounts received by the City as direct subsidy payments from the United States on Long-Term Indebtedness issued or incurred as interest subsidy bonds pursuant to a subsidy program established under the Code, but only to the extent deposited in any account or subaccount of the Bond Fund or otherwise used to pay interest on Long-Term Indebtedness.

“Redemption Account” means the account in the Bond Fund created and so designated by Section 501.

“Redemption Price” means, with respect to any Indebtedness or portion thereof, the principal amount of such Indebtedness or portion called for redemption plus the applicable premium, if any, payable upon redemption thereof.

“Regular Record Date” means, with respect to any Series of Bonds, the regular record date, if any, provided for in the Supplemental Agreement relating to such Series.

“Reserve Alternative Instrument” means an unconditional insurance policy or surety bond or irrevocable letter of credit or guaranty deposited in the Parity Reserve Account or a Special Reserve Account in lieu of or in partial substitution for the deposit of cash and Investment Obligations in satisfaction of the Parity Reserve Account Requirement or a Special Reserve Account Requirement. The Reserve Alternative Instrument shall be payable (upon the giving of notice as required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Fund Account in order to provide for the timely payment of interest and principal (whether at maturity or pursuant to Sinking Fund Requirements therefor). Subject to the provisions of any Parity Resolution, the provider of a Reserve Alternative Instrument shall at the time of delivery of the Reserve Alternative Instrument be (a) an insurer that has been assigned either (A) one of the two highest policyholder ratings accorded insurers by A. M. Best & Co. or any comparable service or (B) for bonds insured by the provider of the Reserve Alternative Instrument, a rating by at least two of Fitch, Moody’s or S&P in one of the two highest rating categories (without regard to gradations of such categories) or (b) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating by at least two of Fitch, Moody’s or S&P in one of the two highest rating categories (without regard to gradations of such categories).

“Revenue Bond Anticipation Notes” means any revenue bond anticipation notes issued by the City in compliance with the provisions of Section 211.

“Revenue Fund” means the fund created and designated the City of Greenville Stormwater System Revenue Fund by Section 501 which currently comprises the City’s Stormwater Operating Fund.

“Revenues” means revenues of the System, as determined in accordance with generally accepted accounting principles; provided, however, that no determination of Revenues shall take into account any unrealized gain or loss on investments or any gain or loss resulting from either the extinguishment of Indebtedness or the sale, exchange or other disposition of capital assets; and provided further that Revenues shall not include:

- (a) the proceeds of any gifts, grants, bequests, contributions or donations,
- (b) the proceeds from the sale or disposition of all or any part of the System,

(c) reimbursements received by the City of advances made by it in respect of (i) the Initial Project, (ii) any Additional Project, (iii) any refinancing of Indebtedness and (iv) any capital improvements;

(d) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the City in any funds, accounts and subaccounts established by or pursuant to this Trust Agreement, but only to the extent such income and gains as so realized are required to be deposited to some fund, account or subaccount other than the Revenue Fund or the Bond Fund as may be provided in this Trust Agreement or in any Parity Resolution,

(e) to the extent and for so long as such payments are pledged to secure the financing of the same, debt service or other payments made to the City in respect of Special Purpose Facilities, except to the extent otherwise provided by the City in respect of any such payments,

(f) Net Insurance Proceeds or Net Eminent Domain Proceeds other than the net proceeds of any use and occupancy or business interruption insurance,

(g) the proceeds of any appropriation made by any political subdivision in the State or by the State or any State Agency unless the proceeds of any such appropriation are designated, in whole or in part, as Receipts by the City,

(h) the income from the investment of Qualified Escrow Funds to the extent such income is applied to the payment of the principal of or the interest on Long-Term Indebtedness which is excluded from the determination of the Long-Term Debt Service Requirement,

(i) the proceeds of any security deposits or moneys received to make refunds to users,

(j) the proceeds derived from any Derivative Agreement,

(k) the proceeds of any Indebtedness,

(l) any developer and impact fees and special assessments that are (i) restricted as to use in a manner inconsistent with their use as Receipts under this Trust Agreement or (ii) determined by resolution of the City Council not to be included as Receipts for purposes of this Trust Agreement, as evidenced by an Officer's Certificate filed with the Trustee, and

(m) any amounts received by the City as direct subsidy payments from the United States on Long-Term Indebtedness issued or incurred as interest subsidy bonds pursuant to a subsidy program established under the Code, but only to the extent deposited in any account or subaccount of the Bond Fund or otherwise used to pay interest on Long-Term Indebtedness.

“S&P” means &P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Securities Depository” means the Depository Trust Company, New York, New York, or any other recognized securities depository selected by the City, which maintains a book-entry system in respect of a Series of Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Trustee the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Serial Bonds” means the Bonds of any Series that are stated to mature in consecutive annual installments.

“Series”, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series

“Series 2018 Bonds” means the City of Greenville, North Carolina Stormwater System Revenue Bonds, Series 2018.

“Short-Term Indebtedness” means all Indebtedness incurred for borrowed money other than the current portion of Long-Term Indebtedness for any of the following:

(a) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;

(b) leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

(c) installment purchase, installment financing or conditional sale contracts having an original term of one year or less.

“Sinking Fund Account” means the account in the Bond Fund created and so designated by the provisions of Section 501.

“Sinking Fund Requirement” means, with respect to any Series of Bonds, the Sinking Fund Requirement provided in the Supplemental Agreement relating to such Series.

“Special Purpose Facilities” means any additions, acquisitions, improvements, betterments, land, buildings, structures or other facilities, including equipment, acquired or constructed, and the preparation and grading of land, relating to the System which are financed by the issuance of obligations which are issued in compliance with the provisions of Section 715 but are not, directly or indirectly, secured by or payable from Receipts or Net Receipts or issued under or secured by the provisions of this Trust Agreement, nor is the operation and maintenance of such Special Purpose Facilities payable as a Current Expense.

“Special Record Date” means a date fixed by the Trustee for determining the Owner of Bonds for the payment of Defaulted Interest pursuant to Section 202.

“Special Reserve Account” means a special debt service reserve account, if any, created by a Parity Resolution as a debt service reserve account only for the particular Parity Indebtedness authorized thereby.

“Special Reserve Account Requirement” means the amount required to be placed or maintained in a Special Reserve Account as may be required by the Parity Resolution creating such Account. The Special Reserve Account Requirement may be composed of cash, Investment Obligations or Reserve Alternative Instruments or any combination of the foregoing, as the City may determine.

“State” means the State of North Carolina.

“State Revolving Loan Program” means the program established by the Clean Water Revolving Loan and Grant Act providing for loans to local governments for water, stormwater and wastewater capital projects.

“State Treasurer” means the State Treasurer of the State.

“Subordinated Indebtedness” means all Indebtedness incurred by the City in respect of the System which may be made payable from Net Receipts but only after the payments required by Section 504(a), (b), (c) have been made. Subordinated Indebtedness shall not include any obligations issued in compliance with the provisions of Section 715 to finance Special Purpose Facilities.

The terms of any Subordinated Indebtedness shall provide that it shall be subordinate and junior in right of payment to the prior payment in full of Parity Indebtedness to the extent and in the manner set forth below:

In the event (a) of any insolvency or bankruptcy proceedings, any receivership, liquidation, reorganization, arrangement or other similar proceedings in connection therewith, relative to the City or to the System, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the City or the System whether or not involving insolvency or bankruptcy, (b) any Subordinated Indebtedness is declared or otherwise becomes due and payable before its stated maturity because of the occurrence of an event of default occurring under the documents pursuant to which such Subordinated Indebtedness was incurred, or (c) any Event of Default under this Trust Agreement shall occur and be continuing and (1) written notice of such default shall have been given to the City and (2) judicial proceedings shall be commenced in respect of such Event of Default within 180 days in the case of a default in payment of principal or interest on Parity Indebtedness and within 90 days in the case of any other default after the giving of such notice, then, for so long as any action described in clause (a), (b) or (c) hereof shall not have been remedied or cured in the opinion of the Trustee, the Holders of Parity Indebtedness shall be entitled to receive payment in full of all principal, premium and interest on all Parity Indebtedness before the Holders of the Subordinated

Indebtedness are entitled to receive any payment on account of principal of or interest on the Subordinated Indebtedness, and to that end the owners of Parity Indebtedness shall be entitled to receive for application in payment thereof any payment or distribution of any kind of character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of the Subordinated Indebtedness after giving effect to any concurrent payment or distribution in respect to such Parity Indebtedness.

“Subordinated Indebtedness Resolution” means the resolution and any other documentation adopted or executed by the City providing for the incurrence of Subordinated Indebtedness. If the Subordinated Indebtedness is to be the subject of a Credit Facility, the Credit Facility must provide for repayments on a subordinated basis and the term Subordinated Indebtedness Resolution shall include any reimbursement agreement or similar repayment agreement executed and delivered by the City in connection with the provision of a Credit Facility for any Subordinated Indebtedness.

“Supplemental Agreement” means an order or resolution of the City authorizing any particular Series of Bonds, together with a supplemental trust agreement executed and delivered by the City in connection with the issuance of such Series of Bonds that is required to be executed and delivered by this Trust Agreement prior to the issuance of any such Series.

“Synthetic Fixed Rate” means Synthetic Fixed Rate as defined in the definition of Derivative Indebtedness.

“Synthetic Variable Rate” means Synthetic Variable Rate as defined in the definition of Derivative Indebtedness.

“System” means the Existing Facilities, the Initial Project and any Additional Project.

“System G.O. Indebtedness” means general obligation indebtedness heretofore and hereafter incurred by the City to finance all or any part of the System or to refinance indebtedness incurred to finance all or any part of the System.

“Term Bonds” means the Bonds of any Series, other than Serial Bonds, that are designated as such in the Supplemental Agreement for such Series.

“Total Operating Revenues” means, as to any period of time, total operating revenues of the System as determined in accordance with generally accepted accounting principles.

“Trust Agreement” means this Trust Agreement and any supplements and amendments hereto permitted hereby.

“Trustee” means the Trustee serving as such under this Trust Agreement, whether original or successor.

“Unrestricted Net Position” means the Unrestricted Net Position of the fund comprising the System as shown in the City’s most recently available audited financial statements under

Statement of Net Position - Proprietary Funds. In the event that the Government Accounting Standards Board issues a pronouncement or similar interpretation of generally accepted accounting principles such that such Statement or term is no longer applicable, references herein to Unrestricted Net Position shall refer to the successor statement or term required by the Government Accounting Standards Board under generally accepted accounting principles, as evidenced to the Trustee by the filing of a certificate by an Authorized Officer with the Trustee designating the successor term to be used.

“Variable Rate Indebtedness” means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate.

Section 102. Findings and Determinations. The City does hereby find and determine as follows:

(a) The City owns and operates a natural and structural stormwater and drainage system which provides services to the residents of the City and its environs.

(b) The City has determined to provide in this Trust Agreement for the issuance of revenue bonds for financing the cost of revenue bond projects under the Act.

(c) Under the Constitution and laws of the State, particularly the Act, the City is authorized and empowered:

(i) to acquire, construct, reconstruct, extend, improve, maintain, better and operate one or more revenue bond projects, which may include undertakings for the utilities designated above combined under this Trust Agreement into one combined revenue producing facilities system, a revenue bond project being defined by the Act to include any undertakings for one or more of the revenue-producing utility or public service enterprise facilities listed in the Act;

(ii) to establish, maintain, revise, charge and collect rates, fees, rentals, tolls or other charges for the use, services, facilities and commodities of or furnished by any revenue bond project;

(iii) to borrow money for the purpose of acquiring, constructing, reconstructing, extending, bettering, improving or otherwise paying the cost of revenue bond projects and to issue its revenue bonds or bond anticipation notes therefor;

(iv) to pledge to the payment of such bonds or notes and interest thereon revenues from one or more revenue bond projects, including revenues from improvements, betterments or extensions to such projects thereafter constructed or acquired as well as the revenues from existing systems, plants, works, instrumentalities and properties of the revenue bond projects to be improved, bettered or extended; and

(v) to enter into contracts with any person, firm or corporation, public or private, on such terms as the City may determine, with respect to the acquisition, construction, reconstruction, extension, betterment, improvement, maintenance or operation of revenue bond projects.

(e) The City has determined to provide in this Trust Agreement for the issuance of revenue bonds for the purpose of financing improvements to the System or to any one or more components of the System as the City may determine from time to time in its discretion.

Section 103. Rules of Construction. (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number.

(b) References herein to particular articles or sections are references to articles or sections of this Trust Agreement unless some other reference is indicated.

(c) References herein to specific sections or chapters of the General Statutes of North Carolina or to specific legislative acts are intended to be references to these sections, chapters or acts as amended and as they may be amended from time to time by the General Assembly of North Carolina, or any successor statute.

(d) Provisions calling for the redemption of Bonds or Parity Debt or the calling of Bonds or Parity Debt for redemption do not mean or include the payment of Bonds or Parity Debt at a stated maturity or maturities.

(e) Any references to obsolete accounting terminology shall be read to apply to the terminology then currently utilized under generally accepted accounting principles.

ARTICLE II

DETAILS OF BONDS

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under this Trust Agreement except in accordance with the provisions of this Article. The principal of, the interest on and the redemption premium, if any, on all Bonds issued under the provisions of this Trust Agreement shall be payable solely from the moneys and assets pledged by this Trust Agreement and the respective Supplemental Agreements for their payment. All covenants, agreements and provisions of this Trust Agreement shall be for the benefit and security of all present and future Owners of Bonds and Holders of Parity Debt and counterparties under Derivative Agreements with respect to Derivative Agreement Parity Payments without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided or as provided in any Parity Resolution or Derivative Agreement, of any one Bond, Parity Debt or Derivative Agreement Parity Payment over any other Bond, Parity Debt or Derivative Agreement Parity Payment by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The City shall by Supplemental Agreement authorize such Series and shall specify, to the extent appropriate, (a) the authorized principal amount of such Series, (b) the Initial Project or Additional Project to be financed from the Bonds or the Bonds or other indebtedness to be refunded or refinanced with the proceeds thereof, including costs of issuance; (c) the creation of a debt service reserve fund for such Series, if any; (d) the date and terms of maturity or maturities of the Bonds of such Series, or the dates of payment of the Bonds on the demand of the Owner; (e) the interest rate or rates of the Bonds of such Series, which may include variable, adjustable, convertible or other rates, original issue discount, Capital Appreciation Bonds, municipal multipliers or other deferred interest arrangements and zero interest rate Bonds, provided that the interest cost of such Series shall never exceed for such Series the maximum interest rate, if any, permitted by law in effect at the time such Series is issued; (f) the Interest Payment Dates for such Series of Bonds; (g) the denominations, numbering, lettering and series designation of such Series of Bonds; (h) the place or places of payment of such Bonds; (i) the redemption dates and Redemption Prices for such Series of Bonds and any terms of redemption not inconsistent with the provisions of this Trust Agreement, which may include mandatory redemption at the election of the Owner thereof to the extent permitted by law; (j) the terms of any optional or mandatory tender requirement, if any, for such Series of Bonds; (k) the use to be made of proceeds of such Series of Bonds, including deposits required to be made into the appropriate account or subaccount of the Project Fund, the Interest Account, the Capitalized Interest Account and any debt service reserve fund; and (l) any other terms or provisions applicable to the Series of Bonds not inconsistent with the provisions of this Trust Agreement or the Act. All of the foregoing may be added by Supplemental Agreements adopted at any time or from time to time prior to the issuance of such Series of Bonds.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Interest Payment Date, in which

event it shall bear interest from such Interest Payment Date, or (b) authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date or such later date as is specified in the Supplemental Agreement providing for its issuance; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Unless provided to the contrary in a Supplemental Agreement, and as permitted by law, the principal of and the interest and premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. The payment of interest on each Bond shall be made (a) by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Trustee as the registered owner thereof as of the Regular Record Date by check mailed to the registered owner at his address as it appears on such registration books, or (b) by such additional or alternative means as is provided in any Supplemental Agreement providing for the issuance of such Bond. Unless otherwise provided in a Supplement Agreement, payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds at the designated corporate trust office of the Trustee as the same become due and payable (whether at maturity or by redemption, acceleration or otherwise).

Any interest on any Bond of any Series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the City, at its election in each case, as provided in Subsection A or B below:

A. The City may elect to make payment of any Defaulted Interest on the Bonds of any Series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The City shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time, the City shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, such expense to be paid solely from Receipts, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner at his address as it appears in the registration books maintained under Section 206 not less than ten (10) days prior to such Special Record Date. The Trustee may, in its discretion, in the name and at the expense of the City, such expense to be paid solely from Receipts, cause a similar notice to be published at least once in (i) a financial journal

distributed in the Borough of Manhattan, City and State of New York, and (ii) a newspaper of general circulation in the County of Pitt, North Carolina, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection B below.

B. The City may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the City to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by, or bear the facsimile signatures of, the Mayor or the City Manager of the City and City Clerk or any deputy or assistant City Clerk and the official seal of the City shall be impressed, or a facsimile thereof imprinted, on the Bonds. In case any officer whose signature or a facsimile of whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds, such signature or such facsimile nevertheless shall be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond are the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers.

The definitive Bonds are issuable as permitted or required by the respective Supplemental Agreement providing for the issuance of Bonds of any Series. Bonds may be issued under a book-entry system and held by a Securities Depository. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which the Bonds may be listed or to any requirement of law with respect thereto.

Section 204. Exchange of Bonds. Bonds, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by the Supplemental Agreement pursuant to which such Bonds were issued, bearing interest at the same rate and in the same form as the Bonds surrendered for exchange.

The City shall make provision for the exchange of Bonds at the designated corporate trust office of the Trustee.

Section 205. Transfer and Registration of Transfer of Bonds. Unless provided to the contrary in a Supplemental Agreement, and as permitted by law, the Trustee shall keep books for the registration and the registration of transfer of Bonds as provided in this Trust Agreement. The registration books shall be available at all reasonable times for inspection by the City and any Owner of such Bonds and may be copied by either of the foregoing and their agents or representatives.

The Trustee shall evidence acceptance of such duties, responsibilities and obligations under this Trust Agreement and the applicable Supplemental Agreement by the execution of the certificate of authentication on the related Series of Bonds.

The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon presentation thereof to the Trustee together with an assignment duly executed by the Owner or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, in such form as shall be satisfactory to the Trustee. No transfer of any Bond shall alter the ownership of such Bond for purposes of this Trust Agreement unless such transfer is registered with the Trustee. Upon any such registration of transfer, the City shall, if necessary, execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Supplemental Agreement pursuant to which such Bond was issued, in the aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the City shall, if necessary, execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Trustee. No service charge shall be made for any registration, transfer or exchange of Bonds, but the City and the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Unless otherwise required by the applicable Supplemental Agreement, neither the City nor the Trustee shall be required (a) to issue, transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (b) to transfer or exchange any Bond so selected for redemption in whole or in part.

Section 206. Ownership of Bonds. The City and the Trustee, and any agent of the City or the Trustee, may treat the person in whose name any Bond is registered, including, without limitation, any Securities Depository Nominee, as the Owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by

law, neither the City, the Trustee nor any such agent thereof shall be affected by notice to the contrary.

Section 207. Authentication of Bonds. Only such Bonds as have endorsed thereon a certificate of authentication substantially in the form set forth in the Supplemental Agreement pursuant to which such Bonds are issued, duly executed as provided in the Supplemental Agreement, shall be entitled to any benefit or security under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed and dated as provided in the Supplemental Agreement, and such certificate upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The certificate of authentication on any Bond shall be deemed to have been duly executed and dated if signed by an authorized officer of the party authorized under the Supplemental Agreement but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds or any Series thereof that may be issued hereunder at any one time.

Section 208. Terms and Conditions for Issuance of Bonds. Before any Bonds shall be issued, the City shall adopt and execute and deliver a Supplemental Agreement authorizing the issuance of such Bonds, fixing the amount and the details thereof as provided in Section 202 and describing in brief and general terms the purpose for issuing such Bonds. Bonds may be issued for the purpose of providing funds for paying, with any other available funds:

- (a) all or any part of the Cost of the Initial Project or any Additional Project,
- (b) all or any part of completing payment of the Cost of the Initial Project or any Additional Project, and
- (c) the cost (including financing costs) of refunding any Bonds, Parity Debt, Subordinated Indebtedness or System G.O. Indebtedness or prepaying any installment capital leases, installment financing contracts or similar financing arrangements for the System.

The Supplemental Agreement may determine to use the Parity Reserve Account or to establish a Special Reserve Account for such Series of Bonds and fix the provisions with respect thereto or not to establish any debt service reserve account. Unless named otherwise in the Supplemental Agreement, the Bonds of each Series shall be designated “City of Greenville, North Carolina Stormwater System Revenue Bonds, Series ____” (inserting the year such Bonds are issued and any other distinctive letter or number), shall be stated to mature, subject to the right of prior redemption as therein set forth, on the date or dates specified therein, in such year or years not later than forty (40) years from their date, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered and shall have such redemption provisions (subject to the provisions of Article III), all as provided in the Supplemental Agreement. Except as to any differences in the maturities thereof or in the rate or rates of interest or the provisions for redemption or the provisions regarding the respective subaccounts within the Interest Account, the Principal Account, the Sinking Fund Account and the Redemption Account, and any provisions with respect to the Parity Reserve Account or a

Special Reserve Account, all such Bonds shall be on a parity with each other and any Parity Debt and shall be entitled to the same benefit and security of this Trust Agreement, including, in particular, the pledge, charge and lien upon the Net Receipts.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the Trustee for authentication, but before the Bonds shall be authenticated and delivered to the State Treasurer for redelivery to the purchasers thereof, there shall be filed with the Trustee the following:

- (i) an executed copy of this Trust Agreement;
- (ii) an executed copy of the Supplemental Agreement adopted or executed and delivered by the City for the particular Series of Bonds;
- (iii) a copy, certified by the Secretary or any Deputy Secretary of the Local Government Commission, of the resolution of the Local Government Commission approving the issuance of and awarding the particular Series of Bonds;
- (iv) a copy, certified by the City Clerk, of the resolution of the City (which resolution may be incorporated in the Supplemental Agreement for the particular Series of Bonds), approving the award of the Bonds by the Local Government Commission and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth plus the accrued interest thereon;
- (v) for any Series of Bonds other than the Series 2018 Bonds, evidence of compliance with the provisions of Section 716 with respect to Parity Indebtedness; and
- (vi) such other documents as are required to be delivered to the Trustee pursuant to the Supplemental Agreement.

When the documents mentioned in subsections (i) to (vi), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Bonds at one time to the State Treasurer for redelivery to or upon the order of the purchasers named in the resolution mentioned in subsection (iv) of this Section, but only upon payment to the Trustee or such other Person as may be designated in a Supplemental Agreement of the purchase price of the Bonds and the accrued interest, if any, thereon to the date of delivery. The Trustee shall be entitled to rely upon the resolutions and documents mentioned in subsections (i) to (vi) of this Section as to all matters stated therein.

The proceeds (including accrued interest) of the Bonds shall be applied simultaneously with the delivery of the Bonds as provided in the Supplemental Agreement.

Section 209. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and upon direction of the City, the Trustee shall deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying

numbers, printed, engraved, lithographed or typewritten temporary Bonds in denominations permitted by the applicable Supplemental Agreement for the definitive Bonds, substantially of the tenor hereinabove set forth, with such appropriate omissions, insertions and variations as may be required. The City shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it of any temporary Bond, shall cancel the same or cause the same to be canceled and shall authenticate and deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall be entitled to the same benefit of this Trust Agreement, as the definitive Bonds to be issued and authenticated hereunder, including the privilege of registration if so provided. Until definitive Bonds are ready for exchange, interest on temporary Bonds shall be paid when due and notation of such payment shall be endorsed thereon.

Section 210. Mutilated, Destroyed, Lost or Stolen Bonds. The City shall cause to be executed, and the Trustee shall authenticate and deliver a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of any mutilated Bond, or in lieu of and in substitution for any destroyed, lost or stolen Bond, and the Owner shall pay the reasonable expenses and charges of the City in connection therewith. Prior to the delivery of a substitute Bond, the Owner of any Bond which was destroyed, lost or stolen shall file with the Trustee evidence satisfactory to it of the destruction, loss or theft of such Bond and of the Owner's ownership thereof and shall furnish to the City and to the Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, however remote.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bonds are found at any time or are enforceable by anyone, and shall be entitled to all the benefits and security hereof equally and proportionately with any and all other Bonds of the same Series duly issued under this Trust Agreement.

Section 211. Revenue Bond Anticipation Notes. Revenue Bond Anticipation Notes may be issued by the City from time to time for any purpose for which Bonds may be issued under Section 208. Revenue Bond Anticipation Notes may be issued as Parity Indebtedness or Subordinated Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

Revenue Bond Anticipation Notes may be issued provided the following conditions are met:

- (a) The City shall adopt a resolution authorizing the issuance of such Revenue Bond Anticipation Notes and setting forth the amount and details thereof. The maximum aggregate principal amount of Revenue Bond Anticipation Notes of an issue at any one

time Outstanding shall not exceed the aggregate principal amount of Parity Indebtedness or Subordinated Indebtedness allowed by subsection (d) of this Section.

(b) The Revenue Bond Anticipation Notes shall be issued pursuant to the provisions of the Act and, but only to the extent applicable, the provisions of G.S. 159-163.

(c) The interest on and the principal of any such Revenue Bond Anticipation Notes may be made payable from Net Receipts or from the proceeds of other Revenue Bond Anticipation Notes, Parity Indebtedness or other Subordinated Indebtedness, any available moneys in the General Fund or any other legally available source.

(d) Prior to or simultaneously with the delivery of and payment for any such Revenue Bond Anticipation Notes then proposed to be issued, there shall be filed with the Trustee evidence, based on the assumptions hereinafter mentioned in this paragraph, of compliance with the provisions of Section 716 in the case the Revenue Bond Anticipation Notes are issued as Parity Indebtedness or of compliance with the provisions of Section 717 in the case the Revenue Bond Anticipation Notes are issued as Subordinated Indebtedness. In showing compliance with the provisions of Section 716 or Section 717, as the case may be, the principal amount of such assumed Parity Indebtedness or Subordinated Indebtedness shall be deemed to be equal to the principal amount of such Revenue Bond Anticipation Notes being issued, and the City shall be entitled to assume that such Parity Indebtedness or Subordinated Indebtedness will mature at such times and in such principal amounts as if such principal were amortized from the date of incurrence thereof over a period of twenty-five (25) years on a level debt service basis and bear such interest rates as it may in its best judgment determine. The Authorized Officer or the Consultant, as the case may be, shall be entitled in his or her best judgment to make such other assumptions as may be necessary in respect of matters that cannot be otherwise ascertained at such time in order to determine whether or not the assumed Parity Indebtedness or Subordinated Indebtedness could be incurred at such time. Any assumptions made by the Authorized Officer to show compliance with this paragraph shall be set forth in a resolution of the City, shall be made in the sole discretion of the City and shall be deemed to be binding and conclusive upon the Trustee and any Owner of Bonds and Holders of Parity Indebtedness or Subordinated Indebtedness.

Section 212. Grant Anticipation Notes. Grant Anticipation Notes may be issued by the City from time to time for any purpose for which Bonds may be issued under Section 208 in anticipation of the receipt of moneys from firm grant commitments for such purpose from the State or the United States or any agencies of either. Grant Anticipation Notes shall constitute Subordinated Indebtedness and, except to the extent otherwise expressly provided in this Trust Agreement, shall be issued in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

Grant Anticipation Notes may be issued provided the following conditions are met:

(a) The City shall adopt a resolution authorizing the issuance of the Grant Anticipation Notes and setting forth the amount and details thereof.

(b) The Grant Anticipation Notes shall be issued pursuant to the provisions of the Act and, but only to the extent applicable, the provisions of G.S. 159-171.

(c) The interest on and the principal of the Grant Anticipation Notes may be made payable from Net Receipts or from the proceeds of the grant, other Grant Anticipation Notes, Parity Indebtedness or Subordinated Indebtedness, any available moneys in the General Fund or any other legally available source.

(d) The maximum aggregate principal amount of the Grant Anticipation Notes at any time Outstanding shall not exceed the maximum amount of the grant.

(e) Grant Anticipation Notes may be issued without showing compliance with the appropriate provisions of Section 717.

(f) A copy of the resolution of the City authorizing the issuance of the Grant Anticipation Notes shall be filed with the Trustee.

Section 213. Subordinated Indebtedness. Subordinated Indebtedness may be incurred by the City from time to time for any purpose for which Bonds may be issued under Section 208. Except to the extent otherwise expressly provided in this Trust Agreement, Subordinated Indebtedness shall be incurred in compliance, to the extent applicable, with the provisions of Section 208 setting forth certain terms and conditions for the issuance of Bonds.

Subordinated Indebtedness may be incurred provided the following conditions are met:

(a) The City shall adopt a resolution authorizing the incurrence of any such Subordinated Indebtedness and setting forth the amount and details thereof.

(b) Any such Subordinated Indebtedness shall be incurred pursuant to the provisions of the Act.

(c) The interest on and the principal of any such Subordinated Indebtedness may be made payable from Net Receipts, but only after the payments required by Section 504(a), (b) and (c).

(d) There shall be filed with the Trustee evidence of compliance with the appropriate provisions of Section 717.

Section 214. State Revolving Loan Programs. For purposes of this Trust Agreement, obligations or debt instruments executed and delivered to the State as part of the State Revolving Loan Program or any other similar State loan program are deemed to be Subordinated Indebtedness unless required by the State to be Parity Indebtedness. For purposes of complying with Section 716 or Section 717, Subordinated Indebtedness incurred by the City as part of the State Revolving Loan Program or any other similar State loan program shall be deemed to be

incurred in the full amount of the obligation or debt instrument delivered to the State on the date of such delivery, notwithstanding that the proceeds of such Indebtedness may be distributed to the Town over a period of time in accordance with the rules and regulations governing such programs.

Section 215. Additional Restrictions. A Parity Resolution or a Subordinated Indebtedness Resolution may establish restrictions, in addition to those established in this Trust Agreement, including, without limiting the generality of the foregoing, additional restrictions as to the application of Net Receipts after the payments required by Section 504(a), (b) and (c) and additional restrictions on the incurrence of Indebtedness beyond those set forth in Sections 716 and 717.

ARTICLE III

REDEMPTION

Section 301. Redemption Generally. The Bonds of any Series issued under this Trust Agreement may be made subject to redemption, at such times and prices, as may be provided by the Supplemental Agreement authorizing the issuance of such Bonds.

Section 302. Selection of Bonds or Portions Thereof to be Redeemed. The Trustee shall select the Bonds or portions thereof to be redeemed in accordance with the terms and provisions of this Trust Agreement and the Supplemental Agreement relating to such Bonds.

Section 303. Redemption Notice. The requirements for notice of redemption shall be set forth in the Supplemental Agreement for each Series of Bonds.

Section 304. Effect of Calling for Redemption. On or before the date upon which Bonds are to be redeemed, the City shall deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee in trust for the Owners of Bonds to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Trust Agreement or to be deemed Outstanding; and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date of redemption.

Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption on any one or more dates as determined by the City have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, and the Owners shall have no rights in respect of the same other than to receive payment of the principal or Redemption Price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 303, and to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds if money or Defeasance Obligations (that have maturity dates or redemption dates which, at the option of the holder of such Defeasance Obligations, shall not be later than the date or dates on which moneys will be required to effect such payment or redemption), or a combination of both, sufficient to pay the principal or Redemption Price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, are held in separate accounts by the Trustee in trust for the Owners of such Bonds.

Any Supplemental Agreement may provide that any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys or Defeasance Obligations sufficient to pay the Redemption Price and interest on such Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. The Supplemental Agreement may also provide for the giving of notice of insufficient money prior to the redemption date and such other provisions as the City may determine.

Section 305. Redemption of a Portion of Bonds. If less than all of an Outstanding Bond is selected for redemption, the Owner thereof or his attorney or legal representative, or legal representative of his estate if the Owner is deceased, shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the redemption premium, if any, on such principal amount, and the City shall, if necessary, execute and the Trustee shall authenticate and deliver to or upon the order of such Owner or his attorney or legal representative, without charge, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond of the same Series and maturity, bearing interest at the same rate and of any denomination or denominations authorized by Supplemental Agreement for such Bond.

Section 306. Cancellation. Bonds presented and surrendered in accordance with the provisions of this Article shall be canceled upon the surrender thereof.

Section 307. Notice to Local Government Commission. If any Bonds shall be called for redemption at the option of the City, the Trustee shall give notice thereof to the Local Government Commission.

ARTICLE IV

PROJECT FUND

Section 401. Project Fund. A special fund is hereby established with the Trustee and designated the “City of Greenville Stormwater System Project Fund.” Unless otherwise provided in a Supplemental Agreement, the proceeds of any Series of Bonds to be used for providing the Initial Project or any Additional Project shall be deposited upon the delivery of such Series of Bonds into a separate account in the Project Fund to be created by the Supplemental Agreement providing for the issuance of the Bonds financing such Additional Project.

The money in the Project Fund shall be held by the Trustee in trust and, pending application to the payment of the refinancing of, the reimbursement for or the Costs of the Initial Project or any Additional Project or transfer as provided herein or in the Supplemental Agreement, shall, to the extent permitted by law, be subject to a lien and charge in favor of the Owners of Bonds issued with respect to such Initial Project or Additional Project and Outstanding under this Trust Agreement and shall be held for the security of such Owners.

Section 402. Payments from Project Fund. Payment of the Costs of the Initial Project or any Additional Project shall be made from the applicable account within the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the City shall not cause or agree to permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Initial Project and Additional Projects. For the purpose of this Trust Agreement, the Costs of the Initial Project or any Additional Project, as the case may be, shall include such costs as are eligible costs within the purview of the Act, and, without intending to limit or restrict any proper definition of such Cost, shall include the following:

(a) obligations incurred for labor, materials, services provided by contractors, builders and materialmen in connection with the construction, acquisition, and equipping of the Initial Project or Additional Projects, machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction and acquisition, for the demolition, removal or relocation of any structures and for the clearing of lands;

(b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be authorized by law and provided in the Supplemental Agreement authorizing the issuance of such Bonds;

(c) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by Eminent Domain, such land, structures and improvements, property, property rights, rights-of-way, franchises, easements and other interests in lands as may be deemed necessary or convenient in connection with such construction or operation of the System;

(d) expenses of administration properly chargeable to such construction or acquisition, legal, trustee, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, premiums of insurance in connection with construction, bond insurance premiums, the cost of funding any debt service reserve account requirements, and all other items of expense not elsewhere in this Section specified that are incident to the financing, construction or acquisition of the Initial Project or any Additional Project and the placing of the same in operation; and

(e) reimbursement of any obligation or expense incurred by the City for any of the foregoing purposes prior to the date of delivery of the Bonds, including reimbursement to any Persons for advances made to the City, and also including the cost of materials, supplies or equipment furnished by the City in connection with the construction of the Initial Project or any Additional Project and paid for by the City out of funds other than money in the Project Fund.

Section 404. Requisitions from Project Fund. Payments from the Project Fund shall be made in accordance with the provisions of this Section.

Upon receipt of a requisition of the City signed by an Authorized Officer, the Trustee shall pay from the appropriate account or subaccount of the Project Fund to the City at one time or from time to time, a sum or sums aggregating at any point in time not more than \$500,000 (or such greater or lesser amount as shall be specified in the applicable Supplemental Agreement), exclusive of reimbursements as hereinafter authorized in this Section, to be used by the City as a revolving fund for the payment of items of Cost referred to in Section 403 which cannot conveniently be paid as herein otherwise provided in this Section. Such money shall be deemed to be a part of the Project Fund until paid out by the Trustee. The Trustee shall apply money in the Project Fund to reimburse the revolving fund from time to time for items of Cost paid with money in the revolving fund upon receipt of a requisition signed by an Authorized Officer for reimbursement of items of Cost referred to in Section 403, which requisition (1) shall specify the amount and the purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of cost so paid was a necessary item of Cost within Section 403, was not previously requisitioned and was a proper charge against the Project Fund and (2) shall make the certifications required by (f) and (g) below.

Upon request of the City, the Trustee shall pay Costs directly from the Project Fund, but before any payment shall be made there shall be filed with the Trustee a requisition signed by an Authorized Officer, stating:

- (a) the item number of such payment;
- (b) the name of the Person to whom such payment is due;
- (c) the amount to be paid;

(d) the purpose by general classification for which the obligation to be paid was incurred;

(e) that the obligation in the stated amount has been incurred by the City, is presently due and payable and is a proper charge against the Project Fund that has not been paid;

(f) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such Person to receive payment of, the amount stated in such requisition and certificate has been filed or attached or, if any of the foregoing has been filed or attached, that the same either has been or will be satisfied or discharged or that provisions have been made (which shall be specified) to protect adequately the Trustee and the Owners from incurring any loss as a result of the same;

(g) that such requisition contains no item representing payment on account of any retainage to which the City is entitled at the date of such requisition;

(h) the account or subaccount from which such Cost shall be paid; and

(i) to the extent so applicable, that such requisition contains no items for the payment of the purchase price or cost of any lands, property, property rights, rights-of-way, easements, franchises or interests in or relating to lands, other than lands, property, property rights, rights-of-way, easements, franchises or interests already constituting a part of the System.

Upon receipt of each requisition, the Trustee shall pay the obligations set forth in such requisition out of money in the applicable account or subaccount in the Project Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. If for any reason the City should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee, and thereupon the Trustee shall not make such payment.

A form of sample requisition is attached hereto as Exhibit A.

Section 405. Requisition for Land Costs. If any requisition, including a requisition for reimbursement to the revolving fund, contains any item for the payment of the purchase price or cost of any lands, property, property rights, rights-of-way, easements, franchises, or interests in or relating to lands, other than lands, property, property rights, rights-of-way, easements, franchises or interests already constituting a part of the System, there shall be attached to such requisition, in addition to the certificate mentioned in Section 404:

(a) an Officer's Certificate stating that such lands, property, property rights, rights-of-way, easements, franchises or interests are being acquired by the City in furtherance of the construction or acquisition of any Additional Project; and

(b) (1) an opinion of the City Attorney to the effect that upon the payment of such item, the City will have title in fee simple to, or perpetual easements or title or rights

sufficient for the needs and purposes of the City in, such lands, free from all liens, encumbrances and defects of title that would have a materially adverse effect upon the City's right to use such lands or properties for the purposes intended or if such liens, encumbrances or defects of title exist that the City is adequately guarded against the same by a bond or other form of indemnity; or (2) if such payment is for an option or contract to purchase, a quit-claim deed or a lease or a release of, or the acquisition of a right or interest in, lands less than a fee simple or a perpetual easement, or if such payment is a partial payment for any such purpose, an Officer's Certificate approving the acquisition of such lesser right or interest or of such part payment.

Section 406. Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee. Such requisitions and opinions shall be retained by the Trustee for so long as the Bonds are Outstanding and shall be subject at all reasonable times to examination by the City and the Owners of Bonds then Outstanding.

Section 407. Completion of Initial Project and any Additional Project and Disposition of Project Fund Balance. The Completion Date for the Initial Project or any Additional Project, or any segment thereof, shall be evidenced to the Trustee by an Officer's Certificate (a) stating that, except for amounts not then due and payable or the liability for the payment of which is being contested or disputed by the City, all costs and expenses incurred in connection with the Initial Project or Additional Project, or such segment, have been paid, and (b) stating that (i) the acquisition, construction and equipping of the Initial Project or Additional Project, or such segment, whichever is applicable, have been completed substantially in accordance with the plans and specifications therefor and the Cost of the same has been paid and (ii) all other facilities necessary in connection with the Initial Project or Additional Project, or such segment, have been acquired, constructed and installed in accordance with the plans and specifications therefor. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or that may subsequently come into being. The City shall supply such certificate within sixty (60) days after the facts justifying such certification exist.

Upon receipt of such certificate, together with an opinion of the City Attorney to the effect that there are no mechanics', workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or materialmen's liens on any property constituting a part of the Initial Project or Additional Project, as the case may be, on file in any public office where the same should be filed to be perfected and that the time within which such liens can be filed has expired or the same has been discharged pursuant to Section 44A-16 of the General Statutes of North Carolina, the Trustee shall withdraw all money then remaining in the relevant account or subaccount in the Project Fund in excess of the amount then needed for completion of the remainder of the Initial Project or Additional Project and apply the same, subject to Section 604, for any capital improvement related to the System which, in the opinion of nationally recognized bond counsel, shall not adversely affect the tax status of interest on the Bonds of the applicable Series. In the event that the City does not deliver an opinion of nationally recognized bond counsel as required by the preceding sentence, the Trustee shall transfer the money in excess of the amount then needed for completion of the Initial Project or Additional Project to the

subaccount or subaccounts of the Bond Fund for such Series of Bonds as specified by an Authorized Officer of the City.

ARTICLE V
RECEIPTS AND FUNDS

Section 501. Establishment of Funds. In addition to the Project Fund, there are hereby established the following funds:

- (a) City of Greenville Stormwater System Revenue Fund;
- (b) City of Greenville Stormwater System Bond Fund, in which there are established six special accounts to be known as the Capitalized Interest Account, the Interest Account, the Principal Account, the Sinking Fund Account, the Redemption Account and the Parity Reserve Account;
- (c) City of Greenville Stormwater System Capital Reserve Fund; and
- (d) City of Greenville Stormwater System Insurance and Condemnation Award Fund.

The Bond Fund and the accounts and subaccounts therein and the Insurance and Condemnation Award Fund shall be established with and held by the Trustee. The Revenue Fund and the Capital Reserve Fund shall be established with and held by a Depository selected by the City.

A Parity Resolution may provide for the creation of a Special Reserve Account for the Parity Indebtedness authorized by such Parity Resolution and for the deposit of moneys to and withdrawal of moneys from such Account. Any Special Reserve Account created for any Series of Bonds or Parity Debt shall be held and maintained by the Trustee; provided, however, that if a Series of Bonds or Parity Debt is placed with the purchaser thereof or lender and not publicly offered, then such purchaser, lender or any other Depository may hold such Special Reserve Account as provided for in the Supplemental Agreement authorizing the issuance of such Series of Bonds or the Parity Debt Resolution authorizing such Parity Debt.

A Parity Resolution may also provide for the creation of such other funds and accounts, as the City may determine, for the Parity Indebtedness authorized by such Parity Resolution.

The money in all of the funds, accounts and subaccounts established pursuant to this Article shall be held in trust and applied as hereinafter provided and, pending such application, the money in the Bond Fund and the accounts and subaccounts therein shall be subject to a pledge, charge and lien in favor of the Owners of the respective Series of Bonds issued and Outstanding under this Trust Agreement and for the further security of such Owners, except as otherwise provided herein or in any Supplemental Agreement.

Each Supplemental Agreement shall provide, to the extent applicable, for the creation of a separate subaccount within the Capitalized Interest Account, the Interest Account, the Principal Account, the Redemption Account and the Sinking Fund Account with respect to each Series of

Bonds, which subaccounts shall bear the designation of such Series of Bonds. A Supplemental Agreement may provide that the Bonds authorized thereby may be additionally secured by the Parity Reserve Account or a Special Reserve Account or it may provide that there shall not be any debt service reserve fund in respect of such Series of Bonds. If a Series of Bonds is secured by a Special Reserve Account or is not secured by any debt service reserve fund, such Series of Bonds shall have no claim on the Parity Reserve Account or any other Special Reserve Account.

Each Parity Debt Resolution may provide for the creation of such funds and accounts as it may determine, including, without limiting the generality of the foregoing, an account for the payment of interest as mentioned in Section 504(a), an account or accounts for the payment of principal, whether at maturity or pursuant to an amortization requirement, as mentioned in Section 504(b) or a debt service reserve account, which may be the Parity Reserve Account or a Special Reserve Account, mentioned in Section 504(c). A Parity Debt Resolution may provide that the Parity Debt authorized thereby may be additionally secured by the Parity Reserve Account or a Special Reserve Account or it may provide that there shall not be any debt service reserve account in respect of such Parity Debt. If any Parity Debt is secured by a Special Reserve Account or is not secured by any debt service reserve fund or account, such Parity Debt shall have no claim on the Parity Reserve Account.

Each Parity Debt Resolution shall be filed with the Trustee on or prior to the date of incurrence of any Parity Debt.

Section 502. Receipts Received by the City. At the time of delivery of the Series 2018 Bonds, all funds held in the City's stormwater system enterprise fund shall be deposited in the Revenue Fund. Except as hereinafter provided, all Receipts shall be deposited when received in the Revenue Fund.

In addition, all proceeds received by the City pursuant to any Derivative Agreement shall be deposited in the Revenue Fund.

Section 503. Application of Money in Revenue Fund. (a) Moneys in the Revenue Fund shall be expended and used by the City only in the manner and order specified in this Trust Agreement.

(b) Current Expenses shall be paid by the City from and shall be a first charge and lien against the Revenue Fund. The Current Expenses shall be paid as the same become due and payable in conformity with the applicable budgetary and payment procedures of the City.

(c) At such time or times as are specifically provided for herein or in any Supplemental Agreement, Parity Debt Resolution or Derivative Agreement, the City shall withdraw from the Revenue Fund the amount necessary to make the deposits required by Section 504.

(d) To the extent permitted by law, and except during the continuation of an Event of Default, the City may, in its discretion, transfer in any month any balance remaining in the Revenue Fund at the end of the preceding month after making all deposits or payments required by Section 504, in whole or in part, to the General Fund or any other fund or account designated by the City, provided that (i) an Authorized Officer shall first certify to the Trustee in an

Officer's Certificate that, in his or her opinion, the transfer of such amount will not have a material adverse effect on the City's ability over the next twelve calendar months to pay the Current Expenses, to make all deposits required by Section 504 and to meet all other financial obligations imposed by this Trust Agreement or any Parity Resolution and (ii) the cumulative amount so transferred in any Fiscal Year shall not exceed the total amount budgeted to be transferred from the Revenue Fund in such Fiscal Year as shown in the Annual Budget for such Fiscal Year.

Any funds transferred from the Revenue Fund in accordance with this subsection (d), other than transfers made to any account or subaccount of the Bond Fund, shall no longer be subject to the pledge, charge and lien upon the Net Receipts created by this Trust Agreement.

Section 504. Use of Money for Debt Service, Reserve Funds and Capital Reserve Fund. The amount withdrawn from the Revenue Fund in accordance with Section 503 shall be applied by the City in the following manner and order:

(a) At such time or times as provided in any Parity Resolution or Derivative Agreement, the City shall (1) deliver to the Trustee the amounts required by any Supplemental Agreement for deposit in the appropriate subaccounts of the Interest Account, (2) pay the Person entitled thereto the amounts required by any Parity Debt Resolution for the payment of interest on Parity Debt and (3) pay the Person entitled thereto the amount of any Derivative Agreement Parity Payments required by any Derivative Agreement to be paid by the City, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Trustee and to each appropriate Person designated in such Parity Debt Resolutions or Derivative Agreements ratably according to the amount so required to be deposited or paid.

(b) At such time or times as provided in any Parity Resolution, the City shall (1) deliver to the Trustee the amounts required by any Supplemental Agreement for deposit in the appropriate subaccounts of the Principal Account and the Sinking Fund Account and (2) pay the Person entitled thereto the amounts required by any Parity Debt Resolution for the payment of principal on Parity Debt, whether at maturity or pursuant to an amortization requirement, for deposit with or payment to the appropriate Persons designated in such Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to each such subaccount of the Principal Account and the Sinking Fund Account and to each appropriate Person designated in such Parity Debt Resolutions ratably according to the amount so required to be deposited or paid.

(c) At such time or times as provided in any Parity Resolution, if the amount in the Parity Reserve Account is less than the Parity Reserve Account Requirement or the amount in any Special Reserve Account is less than the applicable Special Reserve Account Requirement, the City shall (1) deliver to the Trustee the amounts required by this Trust Agreement to make up any deficiency in the Parity Reserve Account for deposit in the Parity Reserve Account and (2) deliver to the Trustee or other appropriate

Person the amounts required by any Supplemental Agreement or Parity Debt Resolution to make up any deficiencies in any Special Reserve Account for deposit in such Special Reserve Accounts or payment to the appropriate Persons designated in such Supplemental Agreements or Parity Debt Resolutions, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits and payments, such deposits and payments shall be made to the Parity Reserve Account and each Special Reserve Account ratably according to the amount so required to be deposited or paid. If a deficiency exists in the Parity Reserve Account, it shall be made-up under this subsection in accordance with the provisions of Section 508. If a deficiency exists in any Special Reserve Account, it shall be made-up under this subsection in accordance with the provisions of the Parity Resolution creating such Special Reserve Account.

(d) At such time or times as provided in any Subordinated Indebtedness Resolution or Derivative Agreement, the City shall (1) pay the Person entitled thereto the amounts required by any Subordinated Indebtedness Resolution for the payment of interest on Subordinated Indebtedness and (2) pay the Person entitled thereto the amount payable under any Derivative Agreement relating to Subordinated Indebtedness required by such Derivative Agreement to be paid by the City on a parity with interest payments on Subordinated Indebtedness, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each appropriate Person designated in such Subordinated Indebtedness Resolutions or Derivative Agreements ratably according to the amount so required to be paid.

(e) At such time or times as provided in any Subordinated Indebtedness Resolution, the City shall pay the Person entitled thereto the amounts required by any Subordinated Indebtedness Resolution for the payment of principal on Subordinated Indebtedness, whether at maturity or pursuant to an amortization requirement, for deposit with or payment to the appropriate Person designated in such Subordinated Indebtedness Resolution, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each appropriate Person designated in such Subordinated Indebtedness Resolutions ratably according to the amount so required to be paid.

(f) At such time or times as provided in any Subordinated Indebtedness Resolutions, if the amount on deposit in any debt service reserve fund securing Subordinated Indebtedness is less than the applicable requirement therefor, the City shall deliver to the appropriate Person the amounts required by any Subordinated Indebtedness Resolution to make up any deficiencies in such debt service reserve fund for deposit in such debt service reserve fund, provided that if there shall not be sufficient Net Receipts to satisfy all such payments, such payments shall be made to each Person designated in the Subordinated Indebtedness Resolutions ratably according to the amount so required to be paid.

(g) As long as System G.O. Indebtedness is outstanding, the City, in its sole discretion, may pay interest on and principal of System G.O. Indebtedness as the same become due and payable.

(h) As long as installment purchase, lease purchase, conditional sale or other similar types of indebtedness incurred to finance all or any part of the System are outstanding, the City, in its sole discretion, may pay interest on and principal of such indebtedness, or corresponding installment, lease or other similar type payments, as the same become due and payable.

(i) Beginning on July 25 of each Fiscal Year, and thereafter on the 25th day of each month, the City shall deposit to the credit of the Capital Reserve Fund one-twelfth (1/12) of the total amount, if any, required to be deposited therein in such Fiscal Year as set forth in the Annual Budget.

Notwithstanding anything in this Section to the contrary, failure by the City to make any deposits required by subsections (d) to (i), inclusive, of this Section shall not in and of itself be an Event of Default under this Trust Agreement.

On or before the 45th day next preceding any date on which Serial Bonds are to mature or Term Bonds are to be redeemed pursuant to Sinking Fund Requirements therefor or are to mature, the City may satisfy all or a portion of its obligation to make the payments required by subsections (a)(i) and (b) of this Section by delivering to the Trustee Serial Bonds maturing or Term Bonds maturing or required to be redeemed on such date. The price paid to purchase any such Bond, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to the date of purchase. Upon such delivery, the City shall receive a credit against amounts required to be deposited into the Interest Account and the Principal Account or Sinking Fund Account, as the case may be, on account of such Bonds with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Serial Bonds or Term Bonds so delivered.

On or before the 45th day next preceding any date on which Parity Debt is to mature or is to be redeemed pursuant to an amortization requirement, the City may satisfy all or a portion of its obligation to make the payments required by subsections (a)(i) and (b) of this Section by delivering to the Trustee Parity Debt maturing or required to be so redeemed on such date. The price paid to purchase any such Parity Debt, including accrued interest to the date of purchase, shall not exceed the principal or Redemption Price plus accrued interest to date of purchase. Upon such delivery, the City shall receive a credit against amounts required to be deposited or paid with respect to interest or principal on account of such Parity Debt with respect to all interest payments for the remainder of the Fiscal Year and in the amount of 100% of the principal amount of any such Parity Debt so delivered.

The City shall provide to the Trustee a certified or otherwise authentic copy of each Parity Resolution adopted by the City and each Derivative Agreement entered into by the City, and shall otherwise provide the Trustee with such information and documents as the Trustee shall request to assure that the Trustee is advised of the payments to be made pursuant to this Section.

Section 505. Application of Money in Interest Account and Capitalized Interest Account.
On each Interest Payment Date, date for the payment of Defaulted Interest or date upon which

Bonds are to be redeemed, or on such other date as may be specified in the applicable Supplemental Agreement, the Trustee shall withdraw from the applicable subaccount in the Interest Account and remit or otherwise set aside the amounts required for paying interest on the respective Bonds to the Owners on such Interest Payment Date as provided in the respective Bonds and Supplemental Agreements.

Unless otherwise provided by a Supplemental Agreement, on the date of issuance of any Series of Bonds, an Authorized Officer shall deliver to the Trustee a schedule of transfers to be made from the applicable subaccount of the Capitalized Interest Account to the applicable subaccount of the Interest Account. The Trustee shall make such transfers as required by the schedule of an Authorized Officer.

Unless otherwise provided by a Supplemental Agreement, if the City fails to deposit with the Trustee the amounts required to be deposited in the Interest Account as provided in Section 504, or if the balance in the Interest Account on the Business Day next preceding an Interest Payment Date is insufficient to pay interest becoming due on the Bonds on such Interest Payment Date, the Trustee shall notify the City of the amount of the deficiency and request the City to immediately cure such deficiency. Upon failure of the City to cure such deficiency and in any event not later than such Interest Payment Date, the Trustee shall transfer an amount sufficient to cure the same, drawing upon funds in the Parity Reserve Account, if any, securing such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

Section 506. Application of Money in Principal Account. On each principal payment date, the Trustee shall withdraw from the applicable subaccounts in the Principal Account and remit or otherwise set aside the amounts necessary to pay the principal of such Bonds to the Owners at their respective maturities as provided in the respective Bonds and Supplemental Agreements.

If on any date there is money in the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall apply the same in the following order: (a) deposit into the Sinking Fund Account the amount then required to be paid thereto by the City pursuant to Section 504, (b) deposit, if and to the extent determined by the City, into the Parity Reserve Account or in one or more Special Reserve Accounts such amounts as may be determined by the City in order to make the amounts on deposit therein equal to the Parity Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be, and (c) deliver all remaining amounts to the City.

Unless otherwise provided in a Supplemental Agreement, if the City fails to deposit with the Trustee the amounts required to be deposited in the Principal Account as provided in Section 504, or if the balance in the Principal Account on the Business Day next preceding a principal payment date is insufficient to pay principal coming due on the Serial Bonds on such principal payment date, the Trustee shall notify the City of the amount of the deficiency and request the City to immediately cure such deficiency. Upon failure of the City to cure such deficiency and in any event not later than such principal payment date, the Trustee shall transfer an amount sufficient to cure the same, drawing only upon funds in the Parity Reserve Account, if any,

securing such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

Section 507. Application of Money in Sinking Fund Account. Money held for the credit of the subaccounts in the Sinking Fund Account shall be applied to the retirement, purchase, redemption or payment of Term Bonds in the manner provided in the applicable Supplemental Agreement. Unless otherwise provided in a Supplemental Agreement, if the City fails to deposit with the Trustee the amount required to be deposited in the Sinking Fund Account as provided in Section 504, or if the balance in the Sinking Fund Account on the Business Day next preceding a sinking fund payment date is insufficient to retire Term Bonds on such date as required by a Supplemental Agreement, the Trustee shall notify the City of the amount of the deficiency and request the City to immediately cure such deficiency. Upon failure of the City to cure such deficiency and in any event not later than such sinking fund payment date, the Trustee shall transfer an amount sufficient to cure the same, drawing upon funds in the Parity Reserve Account, if any, securing such Series of Bonds, or in the Special Reserve Account, if any, securing such Series of Bonds.

Section 508. Deposit and Application of Money in Parity Reserve Account and any Special Reserve Account; Determination of Deficiencies. (a) If a Parity Resolution provides that the Parity Indebtedness incurred thereunder is to be secured by the Parity Reserve Account, the City must fund, from the proceeds of such Parity Indebtedness or from any other available sources, concurrently with the delivery of and payment for such Parity Indebtedness, the Parity Reserve Account in an amount equal to the Parity Reserve Account Requirement. If a Parity Resolution provides that the Parity Indebtedness incurred thereunder is to be secured by a Special Reserve Account, the City must fund, from the proceeds of such Parity Indebtedness or from any other available sources, at the time or times and in the manner specified in the applicable Parity Resolution, such Special Reserve Account in an amount equal to the Special Reserve Account Requirement for such Parity Indebtedness.

(b) The Trustee shall use amounts in the Parity Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 504, in respect of all Parity Indebtedness secured by the Parity Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date as set forth in a Parity Resolution), or to pay the interest on or the principal of or amortization requirements in respect of any Parity Debt when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(c) The Trustee shall use amounts in any Special Reserve Account held by it to make transfers or use moneys provided under a Reserve Alternative Instrument to make deposits, in the order specified in Section 504, in respect of the particular Parity Indebtedness secured by such Special Reserve Account, to the appropriate subaccounts of the Interest Account, the Principal Account and the Sinking Fund Account to remedy any deficiency therein as of any Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date as set forth in a Parity Resolution) or to pay the interest on or the principal of or amortization

requirement in respect thereof on Parity Debt when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(d) Any deficiency in the Parity Reserve Account resulting from the withdrawal of moneys therein shall be made up over the twelve-month period immediately following the month in which such withdrawal is made by monthly deposits of one-twelfth (1/12) of the amount of such deficiency, such deposits to be made pursuant to Section 504(c). Any deficiency in the Parity Reserve Account resulting from a draw on a Reserve Alternative Instrument shall be made up as provided in such Reserve Alternative Instrument or documentation relating thereto, but any such deficiency must be made up by not later than the final date when such deficiency would have been required to be made up if there had been a withdrawal of moneys from the Parity Reserve Account rather than a draw on a Reserve Alternative Instrument. Deficiencies, whether resulting from withdrawals or draws, may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument. Moneys or Investment Obligations on deposit in the Parity Reserve Account shall be used to satisfy deficiencies, as provided in subsection (b) of this Section, prior to any draw on a Reserve Alternative Instrument.

(e) Unless a Reserve Alternative Instrument shall be in effect, if on any date of valuation pursuant to Section 603, the amount on deposit in the Parity Reserve Account is less than 90% of the Parity Reserve Account Requirement, the City shall deposit into the Parity Reserve Account monthly one-twelfth (1/12) of the amount required as of such date to bring the amount then on deposit in the Parity Reserve Account up to the Parity Reserve Account Requirement. Any such deficiency may be satisfied through the deposit of additional moneys or the providing of an additional, or increase in a, Reserve Alternative Instrument.

(f) Any deficiency in a Special Reserve Account resulting from the withdrawal of moneys therein or a draw on a Reserve Alternative Instrument or resulting from a valuation of the Investment Obligations therein pursuant to Section 603 shall be made up as provided in the relevant Parity Resolution.

Section 509. Application of Money in the Redemption Account. The Trustee shall apply money in the Redemption Account to the purchase or redemption of Bonds as follows:

(a) Subject to the provisions of subsection (c) of this Section, and if instructed to do so by an Authorized Officer, the Trustee shall endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Bond, plus accrued interest to the date of purchase, shall not exceed the Redemption Price that would be payable on the next redemption date to the Owners of such Bonds under the provisions of the applicable Supplemental Agreement plus accrued interest to the redemption date if such Bond or such portion thereof were called for redemption on such redemption date from the money in the applicable subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the applicable subaccount of the Interest Account and the purchase price from the applicable subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in the applicable

subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Bonds or portions thereof are to be redeemed except from moneys other than the moneys set aside in the applicable subaccount of the Redemption Account for the redemption of Bonds.

(b) Subject to the provisions of subsection (c) of this Section, the Trustee shall call for redemption on a date permitted by the applicable Supplemental Agreement such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the moneys then held in the applicable subaccount of the Redemption Account as nearly as may be; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Bonds shall be called for redemption at any one time unless the Trustee is so instructed by the City. The Trustee shall pay the accrued interest on the Bonds or portions thereof to be redeemed to the date of redemption from the applicable subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the applicable subaccount of the Redemption Account. On or before the redemption date, the Trustee shall withdraw from the Redemption Account and the Interest Account and remit or otherwise set aside for the Owners of the Bonds or portions thereof to be redeemed the respective amounts required to pay the Redemption Price and accrued interest to the redemption date of the Bonds or portions thereof so called for redemption.

(c) Money in the Redemption Account may be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Bonds of any one or more Series then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee (i) designating one or more Series of Bonds to be purchased or redeemed, (ii) if more than one Series of Bonds is so designated, setting forth the aggregate principal amount of Bonds of each Series to be purchased or redeemed, and (iii) unless the Supplemental Agreement relating to the Bonds to be redeemed specifies the order of redemption, designating the Bonds to be redeemed within each Series, and if such Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed and unless the Supplemental Agreement relating to the Bonds to be redeemed specifies otherwise, (A) the Trustee shall apply such money to the purchase of one or more Series of Bonds as it shall determine or to the redemption of Bonds bearing the highest rate of interest, (B) if Bonds of more than one maturity bear the same interest rate, the Trustee will redeem such Bonds in the inverse order of maturities, and (C) if the Bonds bearing the highest rate of interest are Term Bonds, the Trustee will reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds. All Bonds shall be redeemed as provided in the applicable Supplemental Agreement.

Money held for the credit of the subaccounts in the Redemption Account shall be applied to the purchase or redemption of Bonds in the manner provided in the applicable Supplemental Agreement.

Section 510. Deposit and Application of Money in Capital Reserve Fund. Moneys held for the credit of the Capital Reserve Fund shall be used only for the following:

(a) in the City's sole discretion, to pay Current Expenses or to make deposits to the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Fund

Account to remedy any deficiency therein or to pay interest on or the principal of or amortization requirements in respect of any Parity Debt when due, whenever moneys are insufficient for such purposes; and

(b) to pay all or a portion of the cost of unusual or extraordinary maintenance, repairs, renewals or replacements or capital improvements related to the System in accordance with the applicable procedures used in the payment of Current Expenses or as provided in the Capital Improvements Budget.

Section 511. Insurance and Condemnation Award Fund. The Trustee shall deposit Net Insurance Proceeds or Net Eminent Domain Proceeds into the Insurance and Condemnation Award Fund when and as received by the Trustee from the City, and they shall be disbursed pursuant to the provisions of Section 709.

Section 512. Escheat. All money that the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at maturity or by purchase or call for redemption, shall be held in trust for the respective Owners.

Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-53 of the General Statutes of North Carolina, and the Trustee shall report and remit this property to the Escheat Fund established by, according to the requirements of Chapter 116B of the General Statutes of North Carolina, and thereafter the Owners shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee and the City shall have no responsibility with respect to such money.

Section 513. Cancellation of Bonds. Upon receipt of the same, the Trustee shall cancel all Bonds paid, redeemed or purchased by the Trustee or purchased by the City and delivered to the Trustee, and all Bonds delivered to the Trustee in exchange for other Bonds or delivered to the Trustee upon the transfer of any Bond if a new Bond is delivered upon such transfer. The Trustee shall certify to the City the details of all Bonds so canceled. All Bonds canceled under any of the provisions of this Trust Agreement either shall be delivered to the City or destroyed by the Trustee, as the City directs. Upon destruction of any Bonds, the Trustee shall execute a certificate in duplicate, describing the Bonds so destroyed; and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Trustee.

Section 514. Disposition of Fund Balances. After provision is made for the payment of all Outstanding Bonds and Parity Debt, including the interest thereon, and for the payment of all Derivative Agreement Parity Payment and all other obligations, expenses and charges required to be paid under or in connection with this Trust Agreement, and receipt by the Trustee of an Officer's Certificate to the effect that there are no other indentures, resolutions, bond orders, Supplemental Agreements, Parity Debt Resolutions, Subordinated Indebtedness Resolutions or other agreements that impose a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any fund, account or subaccount then held by it under this Trust

Agreement to the City. If a continuing lien has been imposed on such balance by another resolution, bond order, any other agreement, by court order or decree, or by law, the Trustee shall pay such balance to such person as is entitled to receive the same by law or under the terms of such resolution, bond order, agreement, court order, or decree.

Section 515. Security for the Bonds and Other Parity Indebtedness and Derivative Agreement Obligations. As security for the payment of the Bonds and any Parity Debt and the interest thereon and any Derivative Agreement Parity Payments as authorized by the Act, the City hereby grants to the Trustee a pledge, charge and lien upon the Net Receipts, subject to the release of the lien upon the Net Receipts as provided in Section 503(d).

In addition, as further security for the payment of each Series of Bonds and the interest thereon, the City hereby grants to the Trustee a pledge, charge and lien upon the money and Investment Obligations in any and all of the related accounts and subaccounts of the Bond Fund and Accounts established under the Supplemental Agreements relating to their issuance.

The pledge, charge and lien shall be effective and operate immediately, and the Trustee shall have the right to collect and receive the Net Receipts in accordance with the provisions hereof at all times during the period from and after the date of delivery of the Series 2018 Bonds issued hereunder until all Bonds and Parity Debt and all Derivative Agreement Parity Payments have been fully paid and discharged, including, without limitation, at all times after the institution and during the pendency of bankruptcy or similar proceedings.

The aforementioned pledge, charge and lien shall not inhibit the sale or disposition of any portion of the System in accordance with this Trust Agreement and shall not impair or restrict the ability of the City to invest in securities and other forms of investment, subject to the provisions of this Trust Agreement.

Section 516. Use of Available Funds. Nothing in this Trust Agreement shall be construed to prevent the City from paying all or any part of the Current Expenses from any moneys available to the City for such purpose, or from depositing in any fund or account created under, or subaccount created pursuant to, the provisions of this Trust Agreement or any fund or account created under or pursuant to a Parity Debt Resolution or a Subordinated Indebtedness Resolution or pursuant to any Derivative Agreement, any moneys available to the City for such deposit or payment, except to the extent the City is prohibited from making such payment or deposit by this Trust Agreement, any Parity Resolution, any Subordinated Indebtedness Resolution or otherwise.

ARTICLE VI

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS AND COVENANT AS TO ARBITRAGE

Section 601. Security for Deposits. Any and all money received by the City under the provisions of this Trust Agreement shall be deposited as received with the Trustee or one or more other Depositaries as provided in this Trust Agreement, and all money so deposited with the Trustee shall be trust funds under the terms hereof, and, to the extent permitted by law in the case of the Project Fund, shall not be subject to any lien or attachment by any creditor of the City.

All money deposited with the Trustee or any Depository hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the City and the Owners and Holders of Bonds and Parity Debt, either (a) by lodging with a bank or trust company chosen by the Trustee or Depository or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee or any Depository to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee or any Depository to give security for any money that shall be represented by Investment Obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Trustee or any Depository shall be credited to the particular fund, account or subaccount to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds, accounts and subaccounts created hereby shall be continuously invested and reinvested by the Trustee or the Depositaries, whichever is applicable, in Investment Obligations or held as cash to the extent investment or reinvestment in Investment Obligations is not practicable. Except as hereinafter provided in this Section with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments may, as to each Series of Bonds, be provided in the applicable Supplemental Agreement.

Except as hereinafter provided in this Section with respect to the Parity Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Parity Reserve Account shall (a) mature or (b) be redeemable at the option of the holder of such Investment Obligation so that all such Investment Obligations shall have an average life of not more than ten (10) years after the date of such investment.

Notwithstanding the forgoing, no Investment Obligations pertaining to any Series in any fund, account or subaccount shall mature on a date beyond the latest maturity date of the respective Series of Bonds Outstanding at the time such Investment Obligations are deposited. For purposes of this Section, the maturity date of any repurchase agreement shall be deemed to be the stated maturity date of such agreement and not the maturity dates of the underlying obligations.

An Authorized Officer or his designee shall give to the Trustee or any Depository directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee or such Depository shall then invest such money as so directed. The Trustee or any Depository may request additional direction or authorization from the Authorized Officer or his designee in writing with respect to the proposed investment of money under the provisions of this Trust Agreement. Upon receipt of such directions, the Trustee or any Depository shall invest, subject to the provisions of this Article, such money in accordance with such directions. If no such directions are given, then any uninvested funds shall be invested by the Trustee in (a) Government Obligations having the shortest maturity available, but in no event exceeding a maturity of thirty (30) days from the date of investment in the case of funds held in the Project Fund, and the date funds are required to be used to pay debt service on Bonds in the case of funds held in the Bond Fund or (b) in Investment Obligations authorized by subparagraph (g) of the definition of Investment Obligations. The Trustee or any Depository shall have no liability for investments made in accordance with this Section.

Investment Obligations acquired with money in or credited to any fund, account or subaccount established under this Trust Agreement shall be deemed at all times to be part of such fund, account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such funds, accounts or subaccounts. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such funds, accounts or subaccounts as follows:

<u>Funds, accounts or subaccounts</u>	<u>Credited to</u>
Parity Reserve Account	Revenue Fund
Applicable account of Project Fund	Applicable account of Project Fund
All other funds, accounts and subaccounts	Revenue Fund unless otherwise directed by the related Supplemental Agreement

Any such interest accruing and any such profit realized shall not be credited or transferred to the Revenue Fund unless there shall be no deficiency in the respective fund, account or subaccount. If there shall be a deficiency in any fund, account or subaccount, any such interest or profit shall remain in such fund, account or subaccount until such deficiency has been made up.

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the Depositaries or the Trustee, as the case may be, pursuant to the provisions of this Trust Agreement.

The Trustee shall sell or reduce to cash a sufficient amount of such Investment Obligations whenever it is necessary to do so to provide money to make any payment from any such fund, account or subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such action.

Whenever a transfer of money between two or more of the funds, accounts or subaccounts established under this Trust Agreement is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with this Article, provided that the Investment Obligations transferred are those in which money of the receiving fund, account or subaccount could be invested at the date of such transfer.

For purposes of making any investment hereunder, the Trustee or any Depositary may consolidate money held by it in any fund, account or subaccount with money in any other fund, account or subaccount. Transfers from any fund, account or subaccount to the credit of any other fund, account or subaccount provided for in this Trust Agreement may be effectuated on the books and records of the Trustee, the City or any Depositary without any actual transfer of funds or liquidation of investments. Investment Obligations purchased with consolidated funds shall be allocated to each fund, account or subaccount on a pro rata basis in accordance with the initial amount so invested from each such fund, account or subaccount.

Unless otherwise directed by the City, Investment Obligations may be purchased by the Trustee or any Depositary through its own investment division or other bank facilities established for such purpose.

Section 603. Valuation. For the purpose of determining the amount on deposit in any fund, account or subaccount, Investment Obligations in which money in such fund, account or subaccount is invested shall be valued by the Trustee (a) at par value if such Investment Obligations mature within twelve (12) months from the date of valuation thereof and (b) if such Investment Obligations mature more than twelve (12) months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at its option, if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations.

All Investment Obligations in all of the funds, accounts and subaccounts created hereunder, except the Revenue Fund and the Capital Reserve Fund, shall be valued as of the last day of each Fiscal Year. When a valuation is made by the Trustee, the Trustee shall report the result of such valuation to the City within thirty (30) days after such valuation. In addition, Investment Obligations shall be valued at any time requested by the City on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value Investment Obligations more than once in any calendar month.

Whenever, following a valuation on the last day of each Fiscal Year as described above, the value of the cash and Investment Obligations in the Parity Reserve Account or a Special Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is less than 90% of the Parity Reserve Account Requirement or the Special Reserve Account Requirement (except as may otherwise be provided in a Parity Resolution in the case of a Special Reserve Account), as the case may be, the Trustee shall compute the amount by which the Parity Reserve Account Requirement or the Special Reserve Account Requirement exceeds the balance in the Parity Reserve Account or such Special Reserve Account, as the case may be, and shall immediately give the City notice of such deficiency and the amount necessary to cure the same in accordance with Section 508. Whenever the value of the cash and Investment Obligations in the Parity Reserve Account or a Special Reserve Account held by the Trustee, plus accrued interest to the date of valuation, is greater than the Parity Reserve Account Requirement or the Special Reserve Account Requirement, the Trustee shall compute the amount by which the balance in the Parity Reserve Account or such Special Reserve Account, as the case may be, exceeds the Parity Reserve Account Requirement or the Special Reserve Account Requirement, as the case may be, and shall transfer the excess to the City for deposit into the Revenue Fund unless otherwise provided in a Parity Resolution.

Section 604. Covenant as to Arbitrage. The City covenants that so long as any of the Bonds remain Outstanding, money on deposit in any fund, account or subaccount maintained in connection with the Bonds, regardless of whether such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause any of the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations promulgated from time to time thereunder, except for moneys on deposit in such funds, accounts or subaccounts with respect to any Series of Bonds not intended to be tax-exempt under the provisions of the Code. The City further covenants and agrees to comply with the requirements of Section 148 of the Code and applicable regulations promulgated from time to time thereunder with respect to any Series of Bonds intended to be tax-exempt under the provisions of the Code.

ARTICLE VII

GENERAL COVENANTS AND REPRESENTATIONS

Section 701. Payment of Principal, Interest and Premium. The City shall cause to be paid, when due, the principal of (whether at maturity, by acceleration, by call for redemption or otherwise) and the premium, if any, and interest on the Bonds and Parity Debt at the places, on the dates and in the manner provided herein and in the Bonds and Parity Debt and the documentation securing such Bonds and Parity Debt, according to the true intent and meaning thereof.

The Bonds are special obligations of the City payable solely from the Net Receipts, the City's right to receive the same, and money, Investment Obligations and Reserve Alternative Instruments held in the applicable funds, accounts and subaccounts created hereunder for each such Series of Bonds and the income from Investment Obligations in such funds, accounts and subaccounts. The Bonds shall be secured as provided in Section 515. The Bonds shall not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as herein or in the applicable Supplemental Agreement provided. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the principal of or interest on the Bonds, and no Owner has the right to compel the exercise of the taxing power by the City or the forfeiture of any of its property in connection with any default thereon except as herein or in the applicable Supplemental Agreement provided.

Section 702. Construction of Initial Project and Additional Projects. The City shall construct the Initial Project and any Additional Project for the construction of which Bonds are issued or for which money repayable from the proceeds of Bonds is advanced by the City. The City covenants to construct the Initial Project and any Additional Project in conformity with applicable law and all other requirements of all governmental authorities having jurisdiction thereover, and that the City will complete such construction with all expedition practicable.

The City shall require each person, firm or corporation with whom it may contract for such construction to (a) furnish a payment and performance bond in the full amount of any contract or (b) deposit with an Authorized Officer marketable securities that are eligible as security for the deposit of trust funds as provided in Section 601 in the full amount of any contract. The proceeds of any such payment or performance bond or securities shall be deposited in the applicable account of the Project Fund and applied toward the completion of the Initial Project or Additional Project in connection with which such payment or performance bond or securities are furnished.

Section 703. Operation of the System. The City shall establish and enforce reasonable rules and regulations governing the operation and use of the System, operate the System in an efficient and economical manner, maintain the properties constituting the System in good repair and in sound operating condition for so long as the same are necessary for the operation of the System, and comply with all valid acts, rules, regulations, orders and directions of any

legislative, executive, administrative or judicial body that are applicable to the System. The City's obligation to maintain and operate the System is an obligation only upon Receipts, and no Owner or Holder of Indebtedness has the right to compel the exercise of the taxing power by the City or the forfeiture of any of their respective property in connection with any such obligation except as herein provided.

The City shall also maintain a capital improvement plan for the System extending over a period of not less than the three following Fiscal Years and shall file the same with the Trustee and the Local Government Commission upon their request.

Section 704. Rate Covenant. **[To be discussed.]** (a) The City covenants to fix, charge and collect rates, fees, rentals and charges for the use of and for services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that for the Fiscal Year ending June 30, 2018, and for each Fiscal Year thereafter, the sum of (i) the Income Available for Debt Service for such Fiscal Year and (ii) 15% of the Unrestricted Net Position as of the last day of the immediately preceding Fiscal Year will be not less than 120% of the Long-Term Debt Service Requirement for Parity Indebtedness only for such Fiscal Year.

(b) The City covenants to fix, charge and collect rates, fees, rentals and charges for the use of and for services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that for the Fiscal Year ending June 30, 2018, and for each Fiscal Year thereafter, the Income Available for Debt Service for such Fiscal Year will be not less than 100% of the sum of the Long-Term Debt Service Requirement for Parity Indebtedness and Subordinated Indebtedness and the debt service on System G.O. Indebtedness for such Fiscal Year.

(c) In addition to the covenant set forth in subsections (a) and (b) of this Section, the City also covenants, beginning on the date of issuance of the Series 2018 Bonds, to fix, charge and collect rates, fees, rentals and charges for the use of and for the services furnished or to be furnished by the System, and that from time to time and as often as it shall appear necessary, it shall revise such rates, fees, rentals and charges as may be necessary or appropriate, in order that the Receipts will be sufficient in each Fiscal Year thereafter (i) to pay Current Expenses, (ii) to make the cash deposits in each Fiscal Year required by Section 504(a), (b) and (c) and (iii) to make the cash deposits in each Fiscal Year required by Subordinated Indebtedness Resolutions with respect to the payment of interest on or principal of Subordinated Indebtedness.

(d) The City covenants that all users will pay for services at the rates, fees and charges established by the City from time to time in accordance with the City's customary billing practices and policies.

(e) If the City fails to comply with the covenants set forth in subsections (a), (b) or (c) above, it shall, within thirty (30) days of the receipt by the City of the audit report required by Section 706, request a Consultant to make its recommendations, if any, as to a revision of the City's rates, fees, rentals and charges, its Current Expenses or the method of operation of the

System in order to satisfy the foregoing requirements of this Section. Copies of such request and of the recommendations of the Consultant, if any, shall be filed by the City with the Trustee and the Local Government Commission. Promptly upon its receipt of the recommendations of the Consultant, the City shall, after giving due consideration to the recommendations, revise its rates, fees, rentals and charges or its Current Expenses or alter its methods of operation, which revisions or alterations need not comply with the Consultant's recommendations but which are projected by the City to result in compliance with the covenants set forth in subsections (a), (b) and (c) of this Section. The City and Consultant shall advise the Trustee of the actions taken by the City with respect to the recommendations of the Consultant. If the City shall comply with all of the recommendations of the Consultant, failure to comply with the provisions of subsections (a), (b) and (c) above shall not constitute an Event of Default under the provisions of clause (g) of Section 802. Compliance with all of the recommendations of the Consultant shall have no effect on any Event of Default other than an Event of Default under the provisions of clause (g) of Section 802. In the event of any failure to comply with the provisions of subsections (a), (b) and (c) of this Section and the failure of the City to comply with all of the recommendations of the Consultant, and in addition to the remedies elsewhere provided in this Trust Agreement, the Trustee or the Owners of not less than 25% in aggregate principal amount of the Parity Indebtedness then Outstanding may, and the Trustee shall, upon the request of the Owners of not less than 25% in aggregate principal amount of the Parity Indebtedness then Outstanding and upon being indemnified to its satisfaction, institute and prosecute in a court of competent jurisdiction an appropriate action to compel the City to comply with all of the recommendations of the Consultant in order to satisfy the foregoing requirements of this Section. The City covenants that it will adopt and charge rates, fees, rentals and charges and revise its Current Expenses or the method of operation of the System in compliance with any final order, decree or judgment entered in any such proceeding or modification thereof.

(f) Notwithstanding any of the foregoing provisions of this Section, contracts and agreements for the use of the System, or any component thereof, in effect on the date of issuance of the Series 2018 Bonds shall not be subject to revision for purposes of compliance with the covenants set forth in subsections (a), (b) and (c) of this Section except in accordance with their terms. Subject to the provisions of Section 714, the City may enter into new contracts or agreements or amend or rescind existing contracts or agreements for the use of the System on such terms and for such periods of time as the City shall determine to be proper.

(f) The City also covenants to fix and charge rates, fees, rentals and charges for each component of the System which rates, fees, rentals and charges shall be reasonable and non-discriminatory.

(g) Nothing contained in this Section shall obligate the City to take any action in violation of any applicable requirements imposed by law, including, without limitations Section 160A-314 of the General Statutes of North Carolina.

Section 705. Budgets and Covenant as to Current Expenses. The City shall comply with the Local Government Budget and Fiscal Control Act in adopting its Annual Budget for each Fiscal Year. To the extent possible, the City shall prepare its Annual Budget so that it will be possible to determine from such budget the Current Expenses of the System, the amounts to be

deposited to the credit of the various funds, accounts and subaccounts created by this Trust Agreement and the payments of principal of, premium, if any, and interest on any Parity Debt. In preparing its Annual Budget, the City shall give due consideration to the provisions of Section 704.

The City shall also adopt a Capital Improvements Budget for the System for each Fiscal Year which will show, in addition to such other matters as the City may determine to include, (a) the amounts, if any, to be expended during such Fiscal Year from moneys, if any, deposited to the credit of the Project Fund or the Capital Reserve Fund, together with a statement of the purposes for which such amounts are to be expended in each case and (b) the amount estimated by the City to be necessary for the renovation, extension, improvement, enlargement, renewal or replacement of the System, whether the same are to be commenced, continued or completed during such Fiscal Year or thereafter. The Capital Improvements Budget may be part of the Annual Budget. The City shall file copies of any Capital Improvements Budget and its Annual Budget with the Trustee within thirty (30) days of the beginning of each Fiscal Year.

Section 706. Records, Accounts and Audits. The City shall keep the funds, accounts, subaccounts, money and investments of the System separate from all other funds, accounts, money and investments, if any, of the City and shall keep accurate records and accounts of all items of costs and of all expenditures relating to the System and of the revenues collected and the application of such revenues. Such records and accounts shall be open to the inspection of the Trustee.

The City shall cause its accountant to prepare and deliver to the City within 180 days after the close of each Fiscal Year an audit of the City's books and accounts. Reports of each such audit shall be filed with the Local Government Commission and the Trustee, and copies of each such report shall be mailed by the City to any person requesting the same in writing and shall be made available for inspection at the office of the Director of Financial Services. Each such audit report shall be accompanied by an opinion of the accountant stating that the examination of the financial statements was conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly the financial position of the System and the results of its operations and a statement of cash flows for the period covered by such audit report in conformity with generally accepted accounting principles applied on a consistent basis.

If for any reason beyond its control, the City is unable to obtain the foregoing opinion as to compliance with generally accepted accounting principles, the City shall be deemed to be in compliance with this Section if it is taking all reasonable and feasible action to obtain such opinion in subsequent Fiscal Years, and if, in lieu of a statement as to compliance and conformity, such opinion states the reasons for such noncompliance or non-conformity.

Each audit report shall contain data setting forth in respect of said Fiscal Year the following:

(a) a separate income and expense accounting of the System, showing the Revenues and Current Expenses for such Fiscal Year;

(b) the amounts on deposit at the end of the Fiscal Year in the funds, accounts and subaccounts held by the Trustee and each Depository, and

(c) a calculation to determine compliance with Section 704(a) and (b).

There shall also be filed with the Local Government Commission and the Trustee within sixty (60) days after the end of each Fiscal Year an Officer's Certificate stating to the best of such person's knowledge, (i) whether there existed at the end of the Fiscal Year, any violation of any covenants or agreements herein contained and (ii) whether at any time during the Fiscal Year, any Default occurred, and if so, the nature of such Default.

Section 707. Insurance. (a) The City covenants that it will maintain or cause to be maintained a practical insurance program, with reasonable terms, conditions, provisions and costs, which the City determines (i) will afford adequate protection against loss caused by damage to or destruction of the System or any part thereof and (ii) will include reasonable liability insurance on all of the System for bodily injury and property damage resulting from the construction or operation of the System.

(b) Except as otherwise provided in this Section, all insurance policies shall be carried by a responsible insurance company or companies, whose claims paying ability is rated at least "A" by S&P, authorized and qualified to assume the risks thereof. Alternatively, the City may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the City and that provide comparable coverages required by this Section. The insurance coverages required by this Section may be maintained under a blanket policy covering other properties of the City.

(c) Any insurance coverage pursuant to this Section may be subject to such deductible limitations as the City shall deem appropriate, or may be pursuant to a program whereby the City self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Section. Notwithstanding any other provision of this Section, if the City's self-insures in whole, or if self-insurance prior to any excess coverage or any deductible limit exceeds \$3,000,000, then at least bi-annually the City shall cause to be delivered to the Trustee a report of an Insurance Consultant stating to the effect that the risks assumed by the City are prudent under the circumstances and that the City has provided adequate reserves for such purpose.

(d) All such policies shall be for the benefit of the City, shall be made payable to the City and shall remain with the City, and the City shall have the sole right to receive the proceeds of such insurance and to collect and receipt for claims thereunder. Net Insurance Proceeds shall be applied as provided in Section 709.

(e) Within 60 days of the end of each Fiscal Year, an Authorized Officer shall file with the Trustee an Officer's Certificate describing the insurance policies or alternative risk management programs required or permitted by this Section in effect as of the date of such Officer's Certificate and stating that such insurance policies or alternative risk management programs are in compliance with the requirements of this Section. The Trustee shall be entitled to rely in good faith upon such Officer's Certificate as to the City's compliance with the requirements of this Section. The Trustee shall not be responsible for the sufficiency or adequacy of any insurance required by this Section.

(f) The City further covenants that it will maintain or cause to be maintained comprehensive public liability insurance on all Special Purpose Facilities for bodily injury and property damage resulting from the construction or operation of such Special Purpose Facilities in such amounts as the City may determine to be reasonable.

(g) Notwithstanding any of the foregoing provisions of this Section, the City shall not be required to amend or otherwise change any of the insurance provisions of its contracts, leases and other agreements in effect on the date of the issuance of the Series 2018 Bonds for the purpose of complying with the provisions of this Section and, with respect to any contract, lease or other agreement entered into by the City after the date of the issuance of the Series 2018 Bonds, the City may provide for policies which are payable to the parties of such contract, lease or other agreement as their interests may appear and may provide that the proceeds be applied in such manner as the City shall, in its opinion, believe to be in the best interest of the City. The City may require evidence of the existence of such policies and notice of cancellation in lieu of the possession of such policies.

Section 708. Notice of Taking; Cooperation of Parties. If any public authority or entity attempts to take all or any part of the System through Eminent Domain proceedings, the City shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee and the Owners and Holders of Bonds and Parity Debt in connection with such proceedings. Upon receiving notice of the institution of Eminent Domain proceedings by any public instrumentality, body, agency or officer, the City shall deliver written notice thereof to the Trustee.

The Net Eminent Domain Proceeds shall be applied in accordance with the provisions of Section 709.

Section 709. Insurance and Eminent Domain Proceeds. (a) If, as a result of any casualty occurring to any part of the System or as a result of any taking by Eminent Domain of any part of the System, the revenue-producing capabilities of the System will, in the opinion of the City Manager, be materially impaired for a period in excess of one hundred twenty (120) consecutive days, all Net Insurance Proceeds received by the City and all Net Eminent Domain Proceeds received by the City, as the case may be, shall be delivered to the Trustee for deposit in the Insurance and Condemnation Award Fund and shall be applied, to the extent permitted by law, at the election of the City:

(1) to replace, repair, rebuild or restore the System to substantially the same condition as that which existed prior to such damage, destruction or taking, with such alterations and additions as the City may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the System, provided that prior to the commencement of such replacement, repair, rebuilding or restoration, the City shall deliver to the Trustee a report of a licensed architect or engineer employed by the City setting forth (A) an estimate of the total cost of the same, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially completed, and (C) a statement to the effect that Net Insurance Proceeds or Net Eminent Domain Proceeds, as the case may be, together with other funds made available or to be made available by the City, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the System; or

(2) to the redemption of Bonds or Parity Debt as provided in the Parity Resolutions, provided that Bonds or Parity Debt may be redeemed only if (A) the System has not been restored to substantially the same condition as prior to such damage, destruction or taking or (B) the licensed architect or engineer employed by the City has been unable to make the statement required by subsection (a)(1)(C) of this Section; or

(3) to transfer to the General Fund or any other fund or account designated by the City if the System, as evidenced by a report of a licensed architect or engineer employed by the City, has been restored to substantially the same condition as prior to such damage, destruction or taking with other funds of the City or made available to the City which were not subject to the lien in favor of the Owners and Holders of Bonds and Parity Debt.

(b) All Net Insurance Proceeds and all Net Eminent Domain Proceeds which the City is not required to pay to the Trustee pursuant to the foregoing provisions of this Section 709 shall be applied in such manner as the City believes to be in the best interests of the City.

If the City elects to apply Net Insurance Proceeds or Net Eminent Domain Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the System, as provided in subsection (a)(1) above, the City shall cause the Trustee to make disbursements from the Insurance and Condemnation Award Fund, to the extent practicable, in accordance with the procedures and requirements set forth in Section 404 for requisitions from the Project Fund. However, to the extent such Net Insurance Proceeds or Net Eminent Domain Proceeds exceed the cost of such replacement, repair, rebuilding or restoration, the same shall be transferred to the General Fund or any other fund or account designated by the City.

If the City elects to redeem Bonds, the City shall direct the Trustee to redeem Bonds in accordance with Article III of this Trust Agreement and the Supplemental Agreement for any such Bonds and to transfer from the Insurance and Condemnation Award Fund to the applicable subaccounts of the Redemption Account an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to the applicable subaccounts of the Interest Account an amount that, together with amounts then on deposit therein, is sufficient to pay interest accruing on the Bonds to be redeemed to the date fixed for redemption. If the City elects to redeem Parity Debt, the

City shall follow the requirements for such redemption as set forth in the Parity Debt Resolution for such Parity Debt. The provisions of this Section are subject to the provisions of Section 814.

Section 710. Compliance with Applicable Law. So long as any Bond is Outstanding, the City shall comply or cause there to be compliance with all applicable laws, orders, rules, regulations and requirements of any municipal or other governmental authority relating to the construction, use and operation of the System. Nothing contained in this Section shall prevent the City from contesting in good faith the applicability or validity of any law, ordinance, order, rules regulation, or requirement so long as its failure to comply with the same during the period of such contest will not materially impair the operation or revenue-producing capability of the System.

Section 711. Payment of Charges and Covenant Against Encumbrances. Except as otherwise provided in this Trust Agreement, the City shall not create or suffer to be created any lien or charge upon the System or any part thereof, or on the Net Receipts, except for Permitted Encumbrances. The City shall discharge or cause to be discharged, or shall make adequate provision to satisfy and discharge, within sixty (60) days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the System and the operation of the System and lawful claims and demands for labor, materials, supplies or other objects that might by law become a lien upon the System or Net Receipts if unpaid. Nothing contained in this Section shall require the City to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

The City may incur obligations secured by a lien on (a) rolling stock comprising a part of the System without limitation and (b) other property, plant and equipment comprising a part of the System; provided, however, that the principal amount of such obligations outstanding at any one time shall not exceed 10% of “invested in capital assets, net of related debt” of the System (not taking into account any outstanding obligations with respect to rolling stock that is a part of the System) as shown on the audited financial statements of the City for the most recent Fiscal Year for which audited financial statements are available.

Section 712. Covenant Against Sale or Disposition and Exceptions Thereto. The City covenants that, except as permitted in this Section or Section 714, it will not sell, exchange or otherwise dispose of the System or any part thereof.

The City may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the System, and the proceeds thereof may be used for any lawful purpose determined by the City.

The City may from time to time sell, exchange or otherwise dispose of (but not lease, contract or agree for the use thereof except as permitted under Section 714) any other property of the System if, in addition to obtaining an opinion of nationally recognized bond counsel to the

effect that such sale, exchange or disposition of property of the System shall not adversely affect the tax status of interest on Bonds, it determines by resolution:

(a) that the sale, exchange or other disposition thereof would not materially adversely affect the operating efficiency of the System and would not materially reduce Net Receipts; or

(b) that the sale, exchange or other disposition thereof would not materially adversely affect the ability of the City to comply with the rate covenant set forth in Section 704(a) and (b) for the current and next succeeding Fiscal Year and there is delivered to the Trustee evidence (including, but not limited to, an Officer's Certificate) reasonably satisfactory to the Trustee that such sale, exchange or disposition would not result in the ratings of any Parity Indebtedness being suspended or downgraded below "investment grade" by Fitch, Moody's or S&P, and provided further that such sale, exchange or disposition would be for a consideration of not less than fair market value; and the proceeds, if any, of any such sale, exchange or disposition shall be applied to the replacement of the properties so sold, exchanged or disposed of or shall be deposited to the credit of the subaccount or subaccounts of the Bond Fund or to pay interest on or principal of Parity Debt as the City may determine.

If the fair market value of any item of real or personal property to be sold, exchanged or otherwise disposed of shall be in excess of 1% of invested in capital assets, net of related debt, of the System calculated in accordance with generally accepted accounting principles, or if the fair market value of any such item together with the fair market value of all other such items so disposed of in such Fiscal Year shall aggregate in excess of 1% of invested in capital assets, net of related debt, of the System calculated in accordance with generally accepted accounting principles, then no such disposal shall be effected without first obtaining the written approval of a Consultant of the determinations to be made by the City with respect to such disposition under the provisions of this Section.

Section 713. Additional Projects; Additions to the System. All buildings, structures and items of personal property that are constructed, placed or installed in or upon the properties constituting the System as an addition or improvement to, as a substitute for, or in renewal, replacement or alteration of, any buildings, structures, and personal property constituting part of the System, and all real property acquired as an addition to, in replacement of, or as a substitute for real property constituting a part of the System shall thereupon become part of the System.

Section 714. Contracts, Leases and Other Agreements. The City may lease, as lessor, all or any part of the System, or contract or agree for the performance by others, of operations or services on or in connection with the System or any part thereof, for any lawful purpose, provided, that:

(a) the City shall remain fully obligated and responsible under this Trust Agreement to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and

(b) the obligation of the City under such lease, contract or agreement shall not impair the performance of the City's obligations under this Trust Agreement.

Section 715. Financing of Special Purpose Facilities. Nothing in this Trust Agreement expressed or implied shall be construed as prohibiting the City, if then authorized or permitted by law, from financing the acquisition or construction of any Special Purpose Facilities.

No Special Purpose Facilities shall be financed by the City unless there shall be filed with the City and the Trustee:

(a) an opinion of counsel to the City to the effect that the Special Purpose Facilities or the indebtedness or other obligations incurred to finance such Special Purpose Facilities are not, directly or indirectly, secured by or payable from Receipts or issued under or secured by the provisions of this Trust Agreement and that the financing of the Special Purpose Facilities will not materially conflict with or constitute on the part of the City a breach of or default under any of the covenants or provisions of this Trust Agreement,

(b) a statement, signed by a Consultant, to the effect that in its opinion the acquisition or construction of such Special Purpose Facilities will not materially adversely affect the Income Available for Debt Service or impair the operating efficiency of the System, and

(c) a statement, signed by a Consultant, to the effect that in its opinion the estimated gross revenues to be received from the operation of the Special Purpose Facilities will be sufficient to pay the estimated operating and maintenance expenses of such Special Purpose Facilities, any debt service or reserve requirements with respect thereto and any other necessary related costs and expenses.

If Special Purpose Facilities are financed by the City, the City shall put in place necessary measures in order to account for, and keep separate and apart from Receipts and Current Expenses, the gross revenues received from the operation of such Special Purpose Facilities as well as the operating and maintenance expenses of such Special Purpose Facilities, any debt service or reserve requirements with respect thereto and any other necessary related costs and expenses.

Section 716. Limitation on Parity Indebtedness. Subject to the conditions hereinafter provided, the City shall have the right to incur Parity Indebtedness, subsequent to the issuance of the Series 2018 Bonds, for any purpose for which Bonds may be issued under Section 208, as provided in this Section 716.

(a) Long-Term Indebtedness constituting Parity Indebtedness may be incurred if prior to incurrence one of the conditions set forth in (i), (ii) or (iii) is met.

(i) Long-Term Indebtedness constituting Parity Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee an Officer's Certificate certifying that:

(A) the sum of (1) the Income Available for Debt Service for the most recent Fiscal Year for which audited financial statements are available and (2) 15% of the Unrestricted Net Position as of the last day of such Fiscal Year was not less than 120% of the Maximum Long-Term Debt Service Requirement with

respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred; and

(B) the Income Available for Debt Service for the most recent Fiscal Year for which audited financial statements are available was not less than the sum of (1) the Maximum Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and (2) the maximum amount of debt service in the current or any succeeding Fiscal Year on System G.O. Indebtedness (excluding any System G.O. Indebtedness to be refunded by the Long-Term Indebtedness to be incurred);

provided, however, that if the rates, fees and charges for the use of the System have been revised and such revised rates, fees and charges are or will be in effect prior to or concurrently with the incurrence of such Long-Term Indebtedness, the Authorized Officer may add to the Income Available for Debt Service for the most recent Fiscal Year for which audited financial statements are available an estimate of the additional Income Available for Debt Service, as determined in accordance with the provisions of this Trust Agreement, that would have been included in the calculation of such Income Available for Debt Service, in the judgment of such Authorized Officer, if such rates, fees and charges had been in effect at the beginning of such Fiscal Year.

(ii) Long-Term Indebtedness constituting Parity Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee:

(A) an Officer's Certificate certifying that the City complied with the covenant set forth in Section 704(a) and (b) for the most recent Fiscal Year for which audited financial statements are available; provided, however, that if the City failed to so comply and the rates, fees and charges for the use of the System have been revised and such revised rates, fees and charges are or will be in effect prior to or concurrently with the incurrence of such Long-Term Indebtedness, the Authorized Officer may adjust the amount of Income Available for Debt Service utilized in determining compliance with Section 704(a) and (b) by adding an estimate of the additional Income Available for Debt Service, as determined in accordance with the provisions of this Trust Agreement, that would have been included in the calculation, in the judgment of such Authorized Officer, if such rates, fees and charges had been in effect at the beginning of such Fiscal Year; and

(B) a report of a Consultant showing that for each of the first two complete Fiscal Years next succeeding the date on which capitalized interest provided from the proceeds of the Long-Term Indebtedness is expended, or the date on which such Long-Term Indebtedness is incurred in the event that there is no allowance

for capitalized interest, the sum of (1) the forecasted Income Available for Debt Service and (2) 15% of the forecasted Unrestricted Net Position as of the last day of the immediately preceding Fiscal Year is at least 120% the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred for that Fiscal Year; and

(C) a report of a Consultant showing that the forecasted Income Available for Debt Service for the first two complete Fiscal Years next succeeding the date on which capitalized interest provided from the proceeds of the Long-Term Indebtedness is expended, or the date on which such Long-Term Indebtedness is incurred in the event that there is no allowance for capitalized interest, is at least equal to the sum of (1) the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred and (2) the debt service on System G.O. Indebtedness for each of such Fiscal Years (excluding any System G.O. Indebtedness to be refunded by the Long-Term Indebtedness to be incurred); or

(iii) Long-Term Indebtedness constituting Parity Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee an Officer's Certificate certifying that for the most recent Fiscal Year for which audited statements are available, such Long-Term Indebtedness, together with any other Long-Term Indebtedness constituting Parity Indebtedness incurred under this paragraph (iii) and then Outstanding, does not exceed 10% of Total Operating Revenues for such Fiscal Year.

(b) Completion Indebtedness constituting Parity Indebtedness may be incurred without limitation; provided, however, that prior to the incurrence of such Completion Indebtedness, the City shall furnish to the Trustee (i) a certificate of a licensed architect or engineer estimating the costs of completing the facilities for which such Completion Indebtedness is to be incurred and (ii) an Officer's Certificate certifying that the amount of such Completion Indebtedness to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities as estimated by the architect or engineer in respect of which such Completion Indebtedness is to be incurred.

(c) Long-Term Indebtedness constituting Parity Indebtedness may be incurred for the purpose of refunding all or any part of any Outstanding Long-Term Indebtedness constituting Parity Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof, an Officer's Certificate is delivered to the Trustee (i) determining that the proceeds of such Long-Term Indebtedness, together with interest earnings on the Defeasance Obligations to be acquired and other available funds, will be sufficient to pay the principal of and interest and any premium on the Long-Term Indebtedness to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that either (A) the Long-Term Debt Service Requirement for any Fiscal Year thereafter on account of all Long-Term Indebtedness

constituting Parity Indebtedness to be Outstanding after the incurrence of such Long-Term Indebtedness to accomplish the refunding and after the refunding of such Long-Term Indebtedness will not be greater by more than 10% than the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness constituting Parity Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded, or (B) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (a) of this Section.

(d) Short-Term Indebtedness constituting Parity Indebtedness may be incurred if, immediately after the incurrence of such Short-Term Indebtedness, the Outstanding principal amount of all Short-Term Indebtedness constituting Parity Indebtedness does not exceed 25% of Unrestricted Net Position as of the end of the most recent Fiscal Year preceding the date of incurrence of such Short-Term Indebtedness for which audited financial statements are available; provided, however, that for a period of twenty (20) consecutive calendar days in each Fiscal Year, no such Short-Term Indebtedness shall be Outstanding.

(e) Put Indebtedness constituting Parity Indebtedness may be incurred if prior to the incurrence of such Put Indebtedness (i) the conditions described in subsections (a), (b) or (c) of this Section are met and (ii) a Credit Facility exists to provide financing sufficient to pay the purchase price or principal of such Put Indebtedness on any date on which the Owner or Holder of such Put Indebtedness may demand payment thereof pursuant to the terms of such Put Indebtedness.

Whenever subsections (a) or (d) of this Section require a certification for the most recent Fiscal Year preceding the date of incurrence of the Parity Indebtedness in question for which audited financial statements are available, the City may, in its discretion, provide a certificate, opinion or report of an independent accountant, in lieu of the audit for such Fiscal Year, on financial statements covering twelve (12) consecutive calendar months of the eighteen (18) full consecutive calendar months preceding the date of incurrence of the Parity Indebtedness in question.

Section 717. Limitation on Subordinated Indebtedness. Subject to the conditions hereinafter provided, the City shall have the right to incur Subordinated Indebtedness, subsequent to the issuance of the Series 2018 Bonds, for any purpose for which Bonds may be issued under Section 208, as provided this Section 717.

(a) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred if prior to incurrence one of the conditions set forth in (i), (ii) or (iii) is met.

(i) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee an Officer's Certificate certifying that the Income Available for Debt Service for the most recent Fiscal Year for which audited financial statements are available was at least equal to the sum of (1) the Maximum Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness

(excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and (2) the maximum amount of debt service in the current or any succeeding Fiscal Year on System G.O. Indebtedness (excluding any System G.O. Indebtedness to be refunded by the Long-Term Indebtedness to be incurred); provided, however, that if the rates, fees and charges for the use of the System have been revised and such revised rates, fees and charges are or will be in effect prior to or concurrently with the incurrence of such Long-Term Indebtedness, the Authorized Officer may add to the Income Available for Debt Service for the most recent Fiscal Year for which audited financial statements are available an estimate of the additional Income Available for Debt Service, as determined in accordance with the provisions of this Trust Agreement, that would have been included in the calculation of such Income Available for Debt Service, in the judgment of such Authorized Officer, if such rates, fees and charges had been in effect at the beginning of such Fiscal Year.

(ii) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee:

(A) an Officer's Certificate certifying that the Income Available for Debt Service for the most recent Fiscal Year preceding the date of incurrence of the Long-Term Indebtedness constituting Subordinated Indebtedness to be incurred for which audited financial statements are available was at least equal to the Long-Term Debt Service Requirement for such Fiscal Year with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness, excluding the Long-Term Indebtedness to be incurred; provided, however, that if the rates, fees and charges for the use of the System have been revised and such revised rates, fees and charges are or will be in effect prior to or concurrently with the incurrence of such Long-Term Indebtedness, the Authorized Officer may adjust the amount of Income Available for Debt Service by adding an estimate of the additional Income Available for Debt Service, as determined in accordance with the provisions of this Trust Agreement, that would have been included in the calculation, in the judgment of such Authorized Officer, if such rates, fees and charges had been in effect at the beginning of such Fiscal Year; and

(B) an Officer's Certificate showing that the forecasted Income Available for Debt Service for the first two complete Fiscal Years next succeeding (1) the date on which capitalized interest provided from the proceeds of the Long-Term Indebtedness is expended, or (2) the date on which such Long-Term Indebtedness is incurred in the event that there is no allowance for capitalized interest, is at least equal to the Long-Term Debt Service Requirement with respect to all Outstanding Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness (excluding any Long-Term Indebtedness to be refunded by the Long-Term Indebtedness to be incurred) and the Long-Term Indebtedness proposed to be incurred for each of such Fiscal Years.

(iii) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred if prior to incurrence there is delivered to the Trustee an Officer's Certificate certifying that for the most recent Fiscal Year for which audited statements are available, such Long-Term Indebtedness, together with any other Long-Term Indebtedness constituting Subordinated Indebtedness incurred under this paragraph (iii) and then Outstanding, does not exceed 10% of Total Operating Revenues for such Fiscal Year.

(b) Completion Indebtedness constituting Subordinated Indebtedness may be incurred without limitation; provided, however, that prior to the incurrence of such Completion Indebtedness, the City shall furnish to the Trustee (i) a certificate of a licensed architect or engineer estimating the cost of completing the facilities for which such Completion Indebtedness is to be incurred and (ii) an Officer's Certificate certifying that the amount of such Completion Indebtedness to be incurred will be sufficient, together with other funds, if applicable, to complete construction of the facilities in respect of which such Completion Indebtedness is to be incurred.

(c) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred for the purpose of refunding all or any part of any Outstanding Long-Term Indebtedness constituting Subordinated Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof, an Officer's Certificate is delivered to the Trustee (i) determining that the proceeds of such Long-Term Indebtedness, together with interest earnings on the Defeasance Obligations to be acquired and other available funds, will be sufficient to pay the principal of and interest and any redemption premium on the Long-Term Indebtedness to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that either (A) the Long-Term Debt Service Requirement for any Fiscal Year thereafter on account of all Long-Term Indebtedness constituting Subordinated Indebtedness to be Outstanding after the incurrence of such Long-Term Indebtedness to accomplish the refunding and after the refunding of such Long-Term Indebtedness will not be greater by more than 10% than the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness constituting Subordinated Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded or (B) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (a) of this Section; and

(d) Long-Term Indebtedness constituting Subordinated Indebtedness may be incurred for the purpose of refunding all or any part of any Outstanding Long-Term Indebtedness constituting Parity Indebtedness so as to render it no longer Outstanding if prior to incurrence thereof an Officer's Certificate is delivered to the Trustee determining (i) that the proceeds of such Long-Term Indebtedness, together with interest earnings on the Defeasance Obligations to be acquired and other available funds, will be sufficient to pay the principal of and interest and any redemption premium on the Long-Term Indebtedness to be refunded to the redemption or maturity date or dates and the expenses incident to the refunding, and (ii) stating that either (A) the Long-Term Debt Service Requirement for any Fiscal Year thereafter on account of all Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness to be Outstanding after the incurrence of such Long-Term Indebtedness to accomplish the refunding and the refunding of such Long-Term Indebtedness will not be greater by more than 10% than

the Long-Term Debt Service Requirement on account of all Long-Term Indebtedness constituting Parity Indebtedness and Subordinated Indebtedness Outstanding immediately prior to the incurrence of such Long-Term Indebtedness to accomplish such refunding, including the Long-Term Indebtedness to be refunded or (B) the incurrence of such Long-Term Indebtedness to accomplish the refunding will satisfy the requirements of subsection (a) of this Section.

(e) Short-Term Indebtedness constituting Subordinated Indebtedness may be incurred if, immediately after the incurrence of such Short-Term Indebtedness, the Outstanding principal amount of all Short-Term Indebtedness constituting Subordinated Indebtedness does not exceed 25% of Unrestricted Net Position as of the end of the most recent Fiscal Year preceding the date of incurrence of such Short-Term Indebtedness for which audited financial statements are available; provided, however, that for a period of twenty (20) consecutive calendar days in each Fiscal Year, no such Short-Term Indebtedness shall be Outstanding.

(f) Put Indebtedness constituting Subordinated Indebtedness may be incurred if prior to the incurrence of such Put Indebtedness (i) the conditions described in subsections (a), (b), (c) or (d) of this Section are met and (ii) a Credit Facility exists to provide financing sufficient to pay the purchase price or principal of such Put Indebtedness on any date on which the Owner or Holder of such Put Indebtedness may demand payment thereof pursuant to the terms of such Put Indebtedness.

Whenever subsections (a) or (e) of this Section requires a certification for the most recent Fiscal Year preceding the dates of incurrence of the Subordinated Indebtedness in question for which audited financial statements are available, the City may, in its discretion, provide a certificate, opinion or report of an independent accountant, in lieu of the audit for such Fiscal Year, on financial statements covering twelve (12) consecutive calendar months of the eighteen (18) full consecutive calendar months preceding the date of incurrence of the Subordinated Indebtedness in question.

Section 718. Employment of Insurance Consultant and Consultant. For the purpose of performing and carrying out the duties imposed upon an Insurance Consultant under this Trust Agreement, the City shall from time to time employ an Insurance Consultant. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the City and the Trustee, and copies thereof shall be sent to the Local Government Commission by the City.

For the purpose of causing to be performed and carried out the duties imposed on the Consultant under this Trust Agreement, the City shall employ one or more utility consultants having a favorable repute for skill and experience for such work. Except for any fees and expenses incurred under the provisions of Section 403, the cost of employing the Consultant shall be treated as a part of the cost of operation and maintenance of the System.

The Consultant shall at all times have free access to all properties constituting the System for the purposes of inspection and examination, and the books, public records and accounts of the City relating to the System may be examined by the Consultant at all reasonable times.

Section 719. Further Instruments and Actions. The City shall, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this Trust Agreement.

Section 720. Use of Receipts and Inconsistent Actions. The City covenants and agrees that, so long as any of the Bonds or Parity Debt secured hereby are Outstanding, none of the Receipts will be used for any purpose other than as provided in this Trust Agreement, and that no contract or contracts will be entered into or any action taken by which the rights of Owners might be impaired or diminished.

ARTICLE VIII

REMEDIES

Section 801. Extension of Interest Payment. If the time for the payment of the interest on any Bond or any Parity Debt is extended, whether or not such extension is by or with the consent of the City, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Trust Agreement and in such case the Owner of the Bond or any Parity Debt for which the time for payment of interest was extended shall be entitled only to the payment in full of the principal of all Bonds and Parity Debt then Outstanding and of interest for which the time for payment shall not have been extended. The time for the payment of the interest on any Bond or any Parity Debt shall not be extended in respect of any Bond or any Parity Debt covered by a Bond Insurance Policy or Credit Facility without the consent of the Bond Insurer or the Credit Provider.

Section 802. Events of Default. Each of the following events is hereby declared an Event of Default:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds is not made when the same are due and payable, either at maturity or by redemption or otherwise;

(b) payment of the interest on any of the Bonds is not made when the same is due and payable;

(c) final judgment for the payment of money in excess of \$1,000,000 is rendered against the City as a result of the ownership, control or operation of the System, and any such judgment is not discharged within one hundred twenty (120) days from the entry thereof or an appeal is not taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof;

(d) the City (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment, or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for it or for the whole or any part of the System other than Special Purpose Facilities; or (vi) has a receiver or liquidator appointed for it or for the whole or any part of the System other than Special Purpose Facilities (with or without the consent of the City) and such receiver is not discharged within ninety (90) consecutive days after his appointment; or (vii) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (viii) files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within sixty (60) consecutive days after the same is filed against the City;

(e) a court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control;

(f) receipt by the Trustee of written notice from the Holder of any Parity Debt that any event of default has occurred and is continuing under such Parity Debt or the Parity Debt Resolution relating to such Parity Debt, including the failure to pay when due and payable the principal of, premium, if any, and interest on such Parity Debt, together with evidence satisfactory to the Trustee that such event of default has so occurred and is continuing; and

(g) the City defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or this Trust Agreement, including any Supplemental Agreement, and such default continues for thirty (30) days after receipt by the City of a written notice from the Trustee specifying such default and requesting that it be corrected, provided that if prior to the expiration of such 30-day period the City institutes action reasonably designed to cure such default, no "Event of Default" shall be deemed to have occurred upon the expiration of such 30-day period for so long as the City pursues such curative action with reasonable diligence.

Section 803. Acceleration of Maturities. Upon the happening and continuance of any Event of Default specified in Section 802, then and in every case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, by a notice in writing to the City, declare the principal of all the Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or this Trust Agreement to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, moneys shall have accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last interest payment date) and sufficient to satisfy the sinking fund requirement, if any, for any Term Bonds then Outstanding, for the then current Fiscal Year, and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the City hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or this Trust Agreement (other than a default in the payment of the principal of such Bonds then due and payable only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds not then due and payable by their terms and then Outstanding shall, by written notice to the City, rescind and annul such declaration and its

consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Notwithstanding the foregoing provisions of this Section, if a Bond Insurer providing a Bond Insurance Policy or a Credit Provider providing a Credit Facility for an entire Series of Bonds has not failed to comply with its respective payment obligations under such Bond Insurance Policy or Credit Facility, any acceleration of such Series of Bonds, or any annulment of such acceleration, shall be subject to the prior written consent of such Bond Insurer or such Credit Provider, but only if the relevant Supplemental Agreement confers such right of prior written consent; provided, however, that failure of such Bond Insurer or Credit Provider to give such consent shall not affect the acceleration, or annulment of acceleration, of any other Series of Bonds in the manner provided in this Section.

Section 804. Remedies. Upon the happening and continuance of any Event of Default specified in Section 802, then and in every such case the Trustee may, and upon the written request of the Owners or Holders of not less than 25% in aggregate principal amount of the Bonds and Parity Debt then Outstanding shall, proceed (subject to the provisions of Section 902) to protect and enforce its rights and the rights of the Owners or Holders of the Bonds and Parity Debt under applicable laws and under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the City for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Bonds and Parity Debt and unpaid, with interest on overdue payments of principal at the rate or rates of interest specified in such Bonds and Parity Debt, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds and Parity Debt, without prejudice to any other right or remedy of the Trustee or of the Owners or Holders of the Bond and Parity Debt, and to recover and enforce any judgment or decree against the City, but solely as provided herein and in such Bonds and Parity Debt, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the funds and accounts pledged to secure the Bonds and Parity Debt under the provisions of this Trust Agreement and any Supplemental Agreement or Parity Debt Resolution and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Whenever there shall have been commenced or shall be pending any litigation, in any court having jurisdiction thereof, to which the City shall be a party, affecting or involving the System or the operation thereof, or the Receipts, or the wrongful performance or failure to perform any of the terms and conditions of this Trust Agreement, including any Supplemental Agreement, and if an Event of Default shall occur or shall have occurred and be continuing, then,

unless the same shall then be prohibited under applicable law, the court having jurisdiction of such litigation may appoint a receiver to administer and operate the System on behalf of the City, with full power to pay and to provide for the payment of principal of and interest on the Parity Indebtedness as the same shall become due, whether at maturity, pursuant to mandatory sinking fund redemption, by acceleration or otherwise, out of the funds and accounts available therefor, and the Current Expenses of the System, to apply Receipts derived from such operation in accordance with the provisions of this Trust Agreement, any Supplemental Agreement and any Parity Debt Resolution, and to take such action to the extent permitted by law to cause to be remedied any Event of Default which shall occur or shall have occurred and be continuing; and with such other powers, subject to the direction of said court, as are accorded to receivers in general equity cases and under the applicable provisions of the laws of North Carolina; provided, that the power of such receiver to make provisions for the payment of principal of and interest on Parity Indebtedness as aforesaid shall not be construed as including the power to pledge the general credit of the City to such payments. Any appointment of a receiver under the foregoing provision shall not, by itself, constitute a separate Event of Default under Section 802.

In addition to any remedies available to the Trustee under this Trust Agreement, as herein provided, and under State and federal law, upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Owners and Holders of not less than a majority in aggregate principal amount of Parity Indebtedness then Outstanding shall:

(a) require the City to endorse all checks and other negotiable instruments representing Receipts to the order of the Trustee immediately upon the receipt thereof and to deliver such endorsed instruments daily to the Trustee;

(b) notify any or all account debtors of the City to pay any amounts representing Receipts, when due and owing, directly to the Trustee, as Trustee, at the address set forth herein; and

(c) require the City to deliver to the Trustee all money and Investment Obligations held by the City in the Revenue Fund.

The endorsement and delivery requirements and the payment of Receipts directly to the Trustee as hereinbefore set out in this paragraph shall continue until the Event of Default has been cured to the satisfaction of the Trustee.

The disposition of Receipts held by the Trustee pursuant to this Section is subject to the provisions of Section 503 governing the disposition of Receipts to the same extent as if the City had deposited such Receipts in the Revenue Fund. Notwithstanding anything contained herein to the contrary, the disposition of Receipts held by the Trustee pursuant to this Section for the payment of Current Expenses shall be in the Trustee's sole discretion. The provisions of this Section are also subject to the provisions of Section 814.

Section 805. Pro Rata Application of Funds. Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Interest Account, the Principal Account and the Sinking Fund Account is not sufficient to pay the interest on or the principal of the

Bonds as the same become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 803), such money, together with any money then available or thereafter becoming available for such purposes (except for such money that has already been deposited in subaccounts of the Interest Account, Principal Account or Sinking Fund Account for a particular Series of Bonds pursuant to the provisions of Section 504), whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, after payment of the reasonable fees and expenses of the Trustee in exercising its rights and remedies hereunder, as follows:

(a) if the principal of all Series of Bonds shall not have become or shall not have been declared due and payable, all such money shall be applied as follows:

first: to the payment to the persons entitled thereto of all installments of interest on Bonds then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds that shall have become due and payable (other than Bonds deemed to have been paid pursuant to the provisions of Section 1201 of this Trust Agreement), in the order of their due dates, with interest on the overdue principal at a rate equal to the rate on such Bonds, and, if the amount available shall not be sufficient to pay in full all of the amounts due on the Bonds on any date, together with such interest, then to the payment ratably according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

third: to the payment of the interest on and the principal of Bonds, to the purchase and retirement of Bonds, and to the redemption of Bonds, all in accordance with the provisions of this Trust Agreement.

(b) If the principal of all of the Series of Bonds shall have become or shall have been declared due and payable, all such money shall be applied to the payment of principal and interest then due upon such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all of the Series of Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 803 of this Trust Agreement, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Series of Bonds shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, (a) such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard for the amount of money available for such application and the likelihood of additional money becoming available for such application in the future, (b) setting aside such money as provided herein in trust for the proper purpose shall constitute proper application by the Trustee and (c) the Trustee shall incur no liability whatsoever to the City, to any Owner or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the Owner of any Bond until such Bond is surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

The provisions of this Section are subject to the provisions of Section 801 and Section 814.

Section 806. Effect of Discontinuance of Proceedings. If any proceeding taken by the Trustee or Owners or Holders of Bonds and Parity Debt on account of any Event of Default is discontinued or abandoned for any reason, then and in every such case, the City, the Trustee and the Owners and the Holders of Bonds and Parity Debt shall be restored to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceedings had been taken.

Section 807. Control of Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Bonds and Parity Debt at any time Outstanding shall have the right, subject to the provisions of Section 902, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall be in accordance with law and the provisions of this Trust Agreement.

Section 808. Restrictions Upon Action. Except as provided in Section 813, no Owner or Holder of Bonds or Parity Debt shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or Parity Debt or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner or Holder of Bonds or Parity Debt previously shall (a) has given to the Trustee written notice of the Event of Default on account of which suit, action or proceeding is to be instituted, (b) has requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and (d) has offered to the Trustee reasonable security and satisfactory indemnity against the costs,

expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the Owners or Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all Owners or Holders of Bonds and Parity Debt. It is understood and intended that, except as otherwise above provided, no one or more Owners or Holders of Bonds or Parity Debt shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and Holders of Bonds and Parity Debt and that any individual rights of action or other right given to one or more of such Owners or Holders by law are restricted by this Trust Agreement to the rights and remedies herein provided.

Section 809. Enforcement of Rights of Action. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Bonds and any Parity Debt may be enforced by the Trustee without the possession of any Bonds and any Parity Debt or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners or Holders of Bonds or Parity Debt, and any recovery of judgment shall be for the equal benefit of the Owners or Holders of Bonds and Parity Debt, subject to the provisions of Section 801.

Section 810. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners or Holders of Bonds and Parity Debt is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 811. Delay Not a Waiver. No delay or omission by the Trustee or of any Owner or Holder of Bonds or Parity Debt in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein, and every power or remedy given by this Trust Agreement to the Trustee and to the Owners or Holders of Bonds or Parity Debt may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Owners or Holder of not less than a majority in principal amount of the Bonds and Parity Debt then Outstanding shall, waive any Event of Default which in its opinion has been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any other remedies under this Trust Agreement, but no such waiver shall extend to or affect any other existing or subsequent Event of Default or impair any rights or remedies consequent thereon.

Section 812. Notice of Default. The Trustee shall mail to (a) the Local Government Commission, (b) all Owners at their addresses as they appear on the registration books and (c) all Holders of Parity Debt who shall have filed their name with the Trustee for such purpose, written notice of the occurrence of any Event of Default within thirty (30) days after the Trustee has notice of the same pursuant to the provisions of Section 908 that any such Event of Default shall have occurred; provided, however that, except upon the happening of an Event of Default specified in clauses (a) and (b) of Section 802 of this Trust Agreement, the Trustee may withhold such notice to the Owners and Holders if in its opinion such withholding is in the interest of the Owners and Holders. The Trustee shall not be subject to any liability to any Owner or Holder by reason of its failure to mail any such notice.

Section 813. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Owner or Holder of Bonds or Parity Debt to enforce the payment of the principal of and interest on his Bonds or Parity Debt or the obligation of the City to pay the principal of and interest on each Bond and Parity Debt to the Owner or Holder thereof at the time and place specified in said Bond or Parity Debt.

Section 814. Allocations for Parity Debt and Derivative Agreement Parity Payments. Notwithstanding any provision of this Trust Agreement or any Supplemental Agreement or Derivative Agreement to the contrary, if at any time there are Bonds Outstanding under the terms hereof and there is also Parity Debt Outstanding under the terms of one or more Parity Debt Resolutions or any Derivative Agreements in effect providing for Derivative Agreement Parity Payments and (a) the City or the Trustee receives Net Insurance Proceeds or Net Eminent Domain Proceeds and the City elects to redeem Bonds with the same pursuant to Section 709, (b) the Trustee is receiving Receipts on a daily basis pursuant to Section 804 or (c) an Event of Default has occurred hereunder and the Trustee is required to apply funds in its possession in accordance with Section 805, then all such Net Insurance Proceeds or Net Eminent Domain Proceeds, Receipts or other funds to be distributed under the terms hereof to Owners shall be allocated among, and distributed by the Trustee to, (a) the Owners of Bonds in the proportion that the principal amount of all Bonds then Outstanding bears to the aggregate principal amount of all Parity Indebtedness then Outstanding and the amount of Derivative Agreement Parity Payments then due and payable, (b) to each Holder of Parity Debt (or to the trustee or any other party on behalf of the Holder of such Parity Debt as shall be specified to the Trustee) in the proportion that the principal amount of such Parity Debt then Outstanding bears to the aggregate principal amount of all Parity Indebtedness then Outstanding and the amount of Derivative Agreement Parity Payments then due and payable and (c) to each counterparty under a Derivative Agreement providing for Derivative Agreement Parity Payments in the proportion that the Derivative Agreement Parity Payments then due and payable bears to the aggregate principal amount of all Parity Indebtedness then Outstanding and the amount of Derivative Agreement Parity Payments then due and payable, unless such an allocation and distribution has been made prior to the receipt by the Trustee of such Net Insurance Proceeds, Net Eminent Domain Proceeds, Receipts or other funds; provided, however, that moneys maintained in funds, accounts, and subaccounts established by a particular Supplemental Agreement which are pledged solely for the payment of a particular Series of Bonds shall not be subject to such allocation and shall instead be applied as provided in such applicable Supplemental Agreement.

ARTICLE IX THE TRUSTEE

Section 901. Acceptance of Trusts. The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the City, the Trustee and the respective Owners of the Bonds and any Holders of Parity Debt agree. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. Upon the occurrence and during the continuation of any Event of Default, the Trustee shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

No provision of this Trust Agreement or any Parity Indebtedness shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any Event of Default that may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in this Trust Agreement, and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee and no permissive right of the Trustee under this Trust Agreement shall impose any duty on the Trustee to take such action, and

(ii) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Trust Agreement, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not on its face it conforms to the requirements of this Trust Agreement; and

(b) at all times, regardless of whether or not any such Event of Default shall exist:

(i) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(ii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners and Holders of not less than 25% or a majority, as this Trust Agreement shall require, in aggregate principal amount

of the Bonds and Parity Debt then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement.

None of the provisions contained in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 902. Indemnification of Trustee as Condition for Remedial Action. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the appointment of a receiver or the acceleration of the maturity date of any or all Bonds under this Trust Agreement) or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the City, at the request of the Trustee, shall reimburse the trustee from Receipts for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Parity Indebtedness Outstanding.

Section 903. Limitations on Obligations and Responsibilities of Trustee. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts under this Trust Agreement, the Trustee shall have no responsibility in respect of the validity or sufficiency of this Trust Agreement, or in respect of the validity of Bonds or Parity Debt or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the City, any consultant, any Depository (other than a Depository in which money shall have been deposited by the Trustee under the provisions of this Trust Agreement) or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

Section 904. Trustee Not Liable for Failure of City to Act. The Trustee shall not be liable or responsible because of the failure of the City or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the City or because of the loss of any money arising through the insolvency or the act or default or omission of any Depository (other than the Trustee or a Depository in which such money shall have been deposited by the Trustee under the provisions of this Trust Agreement). The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited

with it and invested, paid out, withdrawn or transferred hereunder if such application, investment, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 905. Compensation and Indemnification of Trustee. Subject to the provisions of any contract between the City and the Trustee relating to the compensation of the Trustee, the City shall pay to the Trustee from Receipts reasonable compensation for all services performed by them hereunder and also all their reasonable expenses, charges and other disbursements and those of their attorneys, agents and employees incurred in and about the administration and the performance of their powers and duties hereunder and, to the extent permitted by law, shall indemnify and save the Trustee harmless against any liabilities that they may incur in the proper exercise and performance of their powers and duties hereunder. If the City shall fail to cause any payment required by this Section to be made, the Trustee may make such payment from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Bonds or Parity Debt Outstanding hereunder. The City covenants that it shall promptly deposit or cause to be deposited to the credit of the respective fund or account the amount withdrawn therefrom by the Trustee to make any such payment.

Section 906. Monthly Statements from Trustee. It shall be the duty of the Trustee, on or before the 10th day of each month, to file with the City a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund, account or subaccount held by it under the provisions of this Trust Agreement,

(b) the amount on deposit with it at the end of such month in each such fund, account or subaccount,

(c) a brief description of all obligations held by it as an investment of money in each such fund, account or subaccount,

(d) the amount applied to the payment, purchase or redemption of Bonds under the provisions of Article V and a description of the Bonds or portions thereof so paid, purchased or redeemed, and

(e) any other information that the City may reasonably request.

All records and files pertaining to Bonds and Parity Debt and the System in the custody of the Trustee not otherwise restricted or excluded from disclosure by the terms of this Trust Agreement, including, without limitation, Section 1002, shall be open at all reasonable times to the inspection of the City, the Local Government Commission and their agents and representatives.

Section 907. Trustee May Rely on Certificates. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or

not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in absence of willful misconduct, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice, certificate or other instrument from the City to the Trustee shall be deemed to have been signed by the proper party or parties if signed by any Authorized Officer, and the Trustee may accept and rely upon a certificate signed by any Authorized Officer as to any action taken by the City.

Section 908. Notice of Default. Except upon the happening of any Event of Default specified in subsections (a), (b) or (f) of Section 802 or the explicit report of an Event of Default pursuant to the final clause of Section 706, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Trust Agreement unless specifically notified in writing of such Event of Default by the City or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding.

Section 909. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the City and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

Section 910. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in absence of willful misconduct, reasonably and in according with the terms of this Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Trust Agreement or otherwise to the giving to any person of notice of the provisions hereof.

Section 911. Trustee May Pay Taxes and Assessments. In case the City shall fail to pay or cause to be paid any lawful tax, assessment or governmental charge or other charge upon any part of the City to the extent, if any, that the City may be deemed by the Trustee liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Owners or Holders of Bonds and Parity Debt arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee by the City, but the Trustee shall be under no obligation to make any such payment from sources provided in this Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

Section 912. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 915.

Section 913. Resignation of Trustee. Subject to the provisions of Section 912, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the City, and mailed, postage prepaid, at the Trustee's expense, to each Owner and Holder of Bonds and Parity Debt, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 914. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, (i) executed by the Owners and Holders of not less than a majority in aggregate principal amount of Bonds and Parity Debt then Outstanding and filed with the City, or (ii) executed by an Authorized Officer, so long as no Event of Default shall have occurred and be continuing and the Local Government Commission shall have given its prior written consent to such removal, in either case not less than sixty (60) days before such removal is to take effect as stated in said instrument of instruments. A photographic copy of any order, instrument or instruments filed with the City under the provisions of this paragraph, duly certified by the City Clerk as having been received by the City, shall be delivered promptly by the City Clerk to the Trustee.

The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners and Holders of not less than 25% in aggregate principal amount of Bonds and Parity Debt then Outstanding.

Section 915. Appointment of Successor Trustee. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the positions of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the City shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing, and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000); provided, however, that such vendee, assignee or transferee may have a combined capital, surplus and undivided profits aggregating less than One Hundred Million Dollars (\$100,000,000) if such vendee, assignee or transferee shall be approved by the Local Government Commission to serve as a trustee under

documents similar to this Trust Agreement. The City shall mail notice of any such appointment made by it, postage prepaid, to all Owners and Holders of Bonds and Parity Debt.

At any time within sixty (60) days after any such vacancy shall have occurred, the Owners and Holders of not less than 25% in principal amount of Bonds and Parity Debt then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the City, may nominate a successor Trustee, which the City shall appoint and which shall supersede any Trustee theretofore appointed by the City. Photographic copies, duly certified by the City Clerk as having been received by the City, of each such instrument shall be delivered promptly by the City Clerk to the predecessor Trustee and to the Trustee so appointed by the Owners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Owner hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be (i) a bank or trust company within or without the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, (ii) of good standing and (iii) having a combined capital, surplus and undivided profits aggregating not less than One Hundred Million Dollars (\$100,000,000); provided, however, that such successor Trustee may have a combined capital, surplus and undivided profits aggregating less than One Hundred Million Dollars (\$100,000,000) if such successor Trustee shall be approved by the Local Government Commission to serve as a trustee under documents similar to this Trust Agreement.

Section 916. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the City and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 905, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the City.

Section 917. Co-Trustee. At any time, but subject to compliance with all applicable regulations, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the trust estate may at the time be located, the City and the Trustee shall have power to appoint an additional institution or individual as a co-trustee or separate trustee, and upon the request of the Trustee or of 10% in aggregate principal amount of Bonds and Parity Debt then

Outstanding the City shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as co-trustee jointly with the Trustee or as a separate trustee of all or any part of the trust estate, and to vest in such person or institution, in such capacity, such title to the trust estate, or any part thereof, and such rights, powers, duties, trusts or obligations as the City and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the City shall not have made such appointment within 30 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

The Trustee and the City shall execute, acknowledge and deliver all such instruments as may be reasonably required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Trust Agreement conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee by this Trust Agreement shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee, or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking or the refraining from taking of such action by such co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the City may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section and in case an event of default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the City, and upon the request of the Trustee, the City shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(f) no Trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Owners and Holders of Bonds and Parity Debt and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment, any such co-trustee or separate trustee shall be vested with such title to the trust estate or any part thereof, and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Trust Agreement. Every such acceptance shall be filed with the Trustee and the City.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the trust estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

ARTICLE X

EXECUTION OF INSTRUMENTS BY OWNERS AND HOLDERS, PROOF OF OWNERSHIP OF BONDS OR PARITY DEBT, AND DETERMINATION OF CONCURRENCE OF OWNERS

Section 1001. Execution of Instruments. Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owners or Holders of Bonds or Parity Debt may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or Holders or their attorneys or legal representatives or legal representative of his estate if the Owner or Holder is deceased. Proof of the execution of any such instrument and of the ownership of Bonds and Parity Debt shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee and the City with regard to any action taken by either under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification, by any officer in any jurisdiction who by the laws thereof has power to take affidavits within such jurisdictions, to the effect that such instrument was subscribed and sworn to before him or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 205. The ownership or holding of Parity Debt shall be proved as provided in the related Parity Debt Resolution.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner or Holder of Bonds or Parity Debt shall bind every future Owner or Holder of the same Bond or Parity Debt in respect of anything done by the Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as an Owner or Holder of Bonds or Parity Debt or to take any action at such an Owner's or Holder's request unless such Bonds or Parity Debt shall be deposited with it.

Section 1002. Preservation of Information; Communications. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Owners as shown on the registration books maintained by the Trustee.

(b) If an Owner which is a Securities Depository Nominee or three or more Owners which are not Securities Depository Nominees (hereinafter collectively referred to as "applicants") apply in writing to the Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such

application, and such application states that the applicants desire to communicate with other Owners with respect to their rights under this Trust Agreement or under the Bonds and such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with subsection (a) of this Section, or

(ii) inform such applicants as to the approximate number of Owners whose names and addresses appear in the information preserved at the time by the Trustee in accordance with sub-section (a) of this Section , and as to the approximate cost of mailing to such Owners the form of communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Owner whose name and address appears in the information preserved at the time by the Trustee in accordance with subsection (a) of this Section a copy of the form of communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

(c) Every Owner, by receiving and holding one or more Bonds, agrees with the City and the Trustee that neither the City nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Owners in accordance with subsection (b) of this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection.

ARTICLE XI

SUPPLEMENTAL TRUST AGREEMENTS

Section 1101. Supplemental Trust Agreement Without Consent. The City and the Trustee may, from time to time and at any time, execute and deliver supplemental trust agreements hereto (which supplemental trust agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Trust Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, shall not materially and adversely affect the interest of the Owners and Holders:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Trust Agreement, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement, or

(b) to grant or to confer upon the Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Trustee, or

(c) to add to the provisions of this Trust Agreement other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the City in this Trust Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City, or

(e) to permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the City so determines, to add to this Trust Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution and delivery of such supplemental trust agreement to be mailed, postage prepaid, to the Local Government Commission and to all Owners of Bonds and Holders of Parity Debt. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners and Holders of Bonds and Parity Debt. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental trust agreement.

Section 1102. Supplemental Trust Agreement with Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners and Holders of not less than

a majority in aggregate principal amount of the Bonds and Parity Debt then Outstanding that will be affected by a proposed supplemental trust agreement shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution and delivery of such supplemental trust agreements as are deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond or Parity Debt without the consent of the Local Government Commission and the Owner of such Bond or the Holder of such Parity Debt, (b) a reduction in the principal amount of any Bond or Parity Debt or the redemption premium or the rate of interest on any Bond or Parity Debt without the consent of the Local Government Commission and the Owner of such Bond or the Holder of such Parity Debt, (c) the creation of a pledge, charge and lien upon the Net Receipts other than the pledge, charge and lien created by this Trust Agreement without the consent of the Local Government Commission and the Owners and Holders of all Bonds and Parity Debt then Outstanding, (d) a preference or priority of any Bond or Parity Debt over any other Bond or Parity Debt without the consent of the Local Government Commission and the Owners and Holders of all Bonds and Parity Debt then Outstanding or (e) a reduction in the aggregate principal amount of the Bonds and Parity Debt required for consent to such supplemental trust agreement without the consent of the Local Government Commission and the Owners and Holders of all Bonds and Parity Debt then Outstanding. Nothing herein contained, however, shall be construed as making necessary the approval by Owners or Holders of Bonds or Parity Debt of the execution and delivery of any supplemental trust agreement as authorized in Section 1101.

If at any time the City and the Trustee determines that it is necessary or desirable to execute and deliver any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to all Owners at their addresses as they appear on the registration books and to all Holders of Parity Debt in accordance with the related Parity Debt Resolution as of the date of mailing such notice. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners and Holders of Bonds and Parity Debt. The Trustee shall not, however, be subject to any liability to any Owner or Holder of Bonds or Parity Debt by reason of its failure to cause the notice required by this Section to be mailed, and any such failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental trust agreement when consented to and approved as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the City delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Owners or Holders of not less than a majority in aggregate principal amount of Bonds and Parity Debt then Outstanding that are affected by a proposed supplemental trust agreement, which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not

otherwise, the City and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to any Owner or Holder of Bonds or Parity Debt whether or not such Owner or Holder shall have consented thereto.

If the Owners or Holders of not less than a majority in aggregate principal amount of Bonds and Parity Debt then Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected, as defined in Section 1103, by a proposed supplemental trust agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner or Holder of Bonds or Parity Debt shall have any right to object to the execution and delivery of such supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or to enjoin or restrain the City and the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Notwithstanding anything in this Trust Agreement to the contrary, the Owners of Bonds or Parity Debt agree that for any amendment to this Trust Agreement or any Supplemental Trust Agreement that requires the consent of the Owners of Bonds or Parity Debt issued under this Trust Agreement, such consent may be rendered by (1) any underwriter of Bonds or Parity Debt being issued under this Trust Agreement or a remarketing agent holding any Bonds or Parity Debt issued under this Trust Agreement, regardless of such entity's intent to sell or distribute such Bonds or Parity Debt in the future, and (2) by the initial Owners of Bonds or Parity Debt being issued under this Trust Agreement by virtue of their purchase thereof at the time of issuance, without any further action being required by such Owners, and without the requirement of any other documentation regarding such amendment or supplemental indenture from the consenting Owners. Any amendment so entered based upon consents delivered in accordance with this Section may be so entered without the requirement of any prior notice or further documentation to the Owners of such Bonds or Parity Debt.

Section 1103. Bonds and Parity Debt Affected. For purposes of this Trust Agreement, Bonds and Parity Debt shall be deemed to be "affected" by a supplemental trust agreement if the same adversely affects or diminishes the rights of the Owners or Holders of such Bonds or Parity Debt against the City or the rights of such Owners or Holders in the security for such Bonds and Parity Debt. The Trustee may in its discretion determine whether any Bonds and Parity Debt would be affected by any supplemental trust agreement, and any such determination shall be conclusive upon the Owners and Holders of all Bonds and Parity Debt, whether theretofore or thereafter issued or incurred. The Trustee shall not be liable for any such determination made in good faith.

Section 1104. Supplemental Trust Agreements Part of Trust Agreement. Any supplemental trust agreement executed and delivered in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, and this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith. Thereafter the respective rights, duties and obligations under the Trust Agreement of the City, the Trustee and all Owners of Bonds and Holders of Parity Debt then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Trust Agreement as so modified and

amended. If any supplemental trust agreement is executed and delivered, Bonds issued thereafter and Parity Debt incurred thereafter may contain an express reference to such supplemental trust agreement, if deemed necessary or desirable by the City.

Section 1105. Not a Supplemental Trust Agreement. For purpose of this Article XI, a Supplemental Agreement or Parity Debt Resolution that relates only to a particular Series of Bonds issued hereunder or Parity Debt incurred under a Parity Debt Resolution and that does not purport to alter or amend the rights or security of any Owners of any Bonds of any other Series issued hereunder or any Holder of any Parity Debt of any other series incurred hereunder shall not be deemed or considered to be a supplemental trust agreement for purposes of this Article.

ARTICLE XII
DEFEASANCE

Section 1201. Release of Trust Agreement. When:

(a) the Bonds and any Parity Debt secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds and any Parity Debt shall be paid, and

(b) if the Bonds and any Parity Debt shall not have become due and payable in accordance with their terms, the Trustee shall hold, sufficient (i) money or (ii) Defeasance Obligations or a combination of (i) and (ii) of this clause (b), the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds or any Parity Debt then Outstanding to the maturity date or dates of such Bonds or any Parity Debt or to the date or dates specified for the redemption thereof, as verified by a verification agent or independent certified public accountant approved by the Local Government Commission, and

(c) if Bonds or any Parity Debt are to be called for redemption, irrevocable instructions to call the Bonds or Parity Debt for redemption shall have been given by the City to the Trustee, and

(d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the City;

then and in that case the right, title and interest of the Trustee in the funds, accounts and subaccounts mentioned in this Trust Agreement shall thereupon cease, determine and become void and, upon being furnished with an opinion, in form and substance satisfactory to the Trustee, of counsel approved by the Trustee, to the effect that all conditions precedent to the release of this Trust Agreement have been satisfied, the Trustee shall release this Trust Agreement and shall execute such documents to evidence such release as may be required by such counsel, and the Trustee shall turn over to the City any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Bonds and any Parity Debt. Otherwise, this Trust Agreement shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Trustee as hereinabove provided, (i) in addition to the requirements set forth in Article III, the Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Trustee to be mailed, postage prepaid, to all Owners and to all Holders of Parity Debt, setting forth (a) the date or dates, if any, designated for the redemption of the Bonds and any Parity Debt, (b) a description of the Defeasance Obligations so held by it, and (c) that this Trust Agreement has been released in accordance with the provisions of this Section, and (ii) (a) the Trustee shall nevertheless retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient in respect of the Bonds and any Parity Debt for the payment of the

principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) the Trustee shall retain such rights, powers and privileges under this Trust Agreement as may be necessary and convenient for the registration, transfer and exchange of Bonds; provided, however, that failure to mail such notice to any Owner or to the Owners, or to any such Holder or to such Holders, or any defect in such notice so mailed, shall not affect the validity of the release of this Trust Agreement.

All money and Defeasance Obligations held by the Trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Successorship of City. In the event the City for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the City shall bind or inure to the benefit of the successor or City from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "City" as used in this Trust Agreement shall include such successor or successors.

Section 1302. Successorship of Depository. Any bank or trust company with or into which a Depository may be merged or consolidated, or to which the assets and business of such Depository may be sold, shall be deemed the successor of such Depository for the purposes of this Trust Agreement. If the position of any Depository shall become vacant for any reason, the City shall appoint a bank or trust company to fill such vacancy within 30 days thereafter; provided, however, that if the City shall fail to appoint such Depository within such period, the Trustee shall make such appointment; provided, however, that the Trustee shall not be liable for the failure to make such appointment.

Section 1303. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the City, the Local Government Commission or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the City--

City of Greenville, North Carolina
200 West Fifth Street
Greenville, North Carolina 27835-7207
Attention: Director of Financial Services

(b) As to the Trustee--

_____, _____
Attention: _____

(c) As to the Local Government Commission--

North Carolina Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, return receipt requested, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 1201, subject at all reasonable times to the inspection of the City, the Local Government Commission, any Owner and the agents and representatives thereof.

Section 1304. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the City, the Local Government Commission or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the City, the Local Government Commission or the Trustee shall give notice in such other manner as in the judgment of the City, the Local Government Commission or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 1305. Parties, Owners and Holders Alone Have Rights under Trust Agreement. Except as herein or in a Supplemental Agreement otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the City, the Owners of Bonds and the Holders of Parity Debt any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the City, the Owners of Bonds and the Holders of Parity Debt.

Section 1306. Effect of Partial Invalidity. In case any one or more of the provisions of this Trust Agreement or the Bonds or any Parity Debt shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or the Bonds or any Parity Debt, but this Trust Agreement and the Bonds and Parity Debt shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds and Parity Debt or this Trust Agreement shall for any reason be held to be in violation of law, then such

covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent permitted by law.

Section 1307. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the City contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent permitted by the Constitution and laws of the State. This Trust Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 1308. No Recourse Against Members, Officers or Employees of City or Local Government Commission. No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Trust Agreement, or in any Bond or Parity Debt hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the City or the Local Government Commission, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the City or the Local Government Commission, either directly or through the City for the payment for or to, the City or the Local Government Commission or any receiver of either of them, or for, or to, any Owner of Bonds or Holder of Parity Debt or otherwise, of any sum that may be due and unpaid upon any such Bond or Parity Debt. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the City or the Local Government Commission or any receiver of either of them, or for, or to, any Owner of Bonds, Holder of Parity Debt or otherwise, of any sum that may remain due and unpaid upon the Bonds or any Parity Debt hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Trust Agreement and the issuance of the Bonds.

Section 1309. Dealing in Bonds and Parity Debt. The Trustee and its directors, officers, employees or agents, and any officer, employee or agent of the City, may in good faith, buy, sell, own, hold and deal in any Bonds and Parity Debt and may join in any action which any Owner or Holder thereof may be entitled to take with like effects as if such Trustee were not a Trustee under this Trust Agreement or as if such officer, employee or agent of the City did not serve in such capacity.

Section 1310. Certain Transactions Subject to the Approval of the Secretary of the Local Government Commission. The City shall receive the approval of the Secretary of the Local Government Commission prior to (i) providing for a Reserve Alternative Instrument, (ii) entering into a Derivative Agreement or (iii) selecting a successor rating agency to replace Fitch, Moody's or S&P for purposes of this Trust Agreement.

Section 1311. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 1312. Further Authority. The officers of the City, attorneys, engineers and other agents or employees of the City are hereby authorized to do all acts and things required of them by this Trust Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Trust Agreement.

Section 1313. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Trust Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Trust Agreement.

Section 1314. Multiple Counterparts. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 1315. E-Verify. The Trustee hereby certifies that the Trustee understands 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 Trustee uses 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 Trustee shall require that any subcontractor that it uses in connection with the performance of its obligations under this Trust Agreement or any Supplemental Agreement to certify to such subcontractor’s compliance with E-Verify.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the City and the Trustee have caused this Trust Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

CITY OF GREENVILLE, NORTH CAROLINA

[SEAL]

By: _____
Mayor

Attest:

City Clerk

_____, Trustee

By: _____

EXHIBIT A

Requisition No. _____

FORM OF REQUISITION AND CERTIFICATE

_____, 20__

Attention: _____

Dear Sir or Madam:

On behalf of the City of Greenville, North Carolina (the "City"), in connection with \$ _____ Stormwater System Revenue Bonds, Series ____ (the "Bonds") issued by the City, I hereby requisition from you funds held in the Series ____ Account of the City of Greenville Stormwater System Project Fund (the "Project Fund") in accordance with the Trust Agreement, dated as of March 1, 2018 (the "Trust Agreement"), between the City and yourself, as trustee (the "Trustee) and the _____ Supplemental Trust Agreement, dated as of _____, 20__ (the "Supplemental Agreement"), between the City and the Trustee, the sum of \$ _____ payable to _____ for _____.

[] Check if requisition is to fund or reimburse the revolving fund authorized by Section 404 of the Trust Agreement.

I hereby certify that (a) the obligation to make such payment was incurred by the City in connection with the construction and equipping of the Series ____ Project (as defined in the Supplemental Agreement) or is a cost of issuance relating to the issuance of the Bonds, is presently due and payable, is a proper charge against the Project Fund and has not been the basis for any prior requisition which has been paid; (b) the City has not received written notice of any lien, right to lien or attachment upon, or claim affecting the right of such payee to receive payment of any of the money payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been satisfied or discharged or will be satisfied or discharged upon payment of this requisition or provision made to adequately protect the Trustee and the Owners from incurring any loss as a result of the same; and (c) this requisition contains no items representing payment on account of any retainage which the City is entitled to retain at this date.

[Insert one of the two following paragraphs as applicable]

I hereby further certify that such requisition contains no items for the payment of the purchase price or cost of any lands, property, property rights, rights-of-way, easements, franchises or interests in or relating to lands, other than lands, property, property rights, rights-of-way, easements, franchises or interests already constituting a part of the System.

I hereby further certify that the land, property, property rights, rights of way, easements, franchises or other interest being acquired by the City in connection with this requisition are being acquired by the City in furtherance of the construction or acquisition of the _____ Project.

All capitalized terms not otherwise defined herein shall have the same meaning in the Trust Agreement.

Authorized Officer

[If such item of payment is directly related to the acquisition of interests in land, attach City Attorney opinion required by Section 405(b) of the Trust Agreement.]

FIRST SUPPLEMENTAL TRUST AGREEMENT

Dated as of March 1, 2018

Between

CITY OF GREENVILLE, NORTH CAROLINA

and

Trustee

Authorizing and Securing

\$ _____
City of Greenville, North Carolina
Stormwater System Revenue Bonds
Series 2018

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This FIRST SUPPLEMENTAL TRUST AGREEMENT, dated as of March 1, 2018 (the “Supplemental Agreement”), between the CITY OF GREENVILLE, NORTH CAROLINA, a municipal corporation duly organized and existing under the laws of the State of North Carolina (the “City”), and _____, a _____ duly organized and existing under the laws of the _____ and having a designated corporate trust office in _____, _____, which is authorized under such laws to exercise trust powers (the “Trustee”),

WITNESSETH:

WHEREAS, simultaneously with the execution and delivery of this Supplemental Agreement, the City has executed and delivered a Trust Agreement, dated as of March 1, 2018 (the “Trust Agreement”), between the City and the Trustee, which authorizes the City to issue revenue bonds in accordance with the terms thereof to finance and refinance, among other things, improvements to the City’s System (as defined in the Trust Agreement);

WHEREAS, the City has determined to finance or reimburse the cost of certain improvements to the City’s existing structural and natural stormwater system facilities as more fully described in Exhibit A attached hereto and made a part hereof (the “Series 2018 Project”);

WHEREAS, the City has determined that the issuance of the bonds as authorized by this Supplemental Agreement to finance the costs of the Series 2018 Project will benefit and be in the best interests of the City; and

WHEREAS, the City Council of the City adopted an order authorizing the issuance of such bonds;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, capitalized words and terms used herein which are defined in the Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Bond Year” means the period commencing on March 1 of any year and ending on February 28 or 29, as applicable, of the following year.

“Closing” means the delivery of and payment for the Series 2018 Bonds.

“Closing Date” means the date of the Closing.

“Interest Payment Date” means each March 1 and September 1, as the case may be, beginning September 1, 2018.

“Regular Record Date” means the 15th day of the month preceding any Interest Payment Date, whether or not a Business Day.

“Serial Bonds” means the Series 2018 Bonds maturing on March 1, 20__ to 20__, inclusive.

“Series 2018 Bonds” means the City of Greenville, North Carolina Stormwater System Revenue Bonds, Series 2018 issued pursuant to the Trust Agreement and this Supplemental Agreement.

“Series 2018 Project” means the improvements to the City’s existing structural and natural stormwater system facilities described in Exhibit A attached hereto, as such description may be amended or supplemented from time to time. The Series 2018 Project is the Initial Project within the meaning set forth in the Trust Agreement.

“Series 2018 Project Account” means the account created and so designated by Section 401.

“Series 2018 Subaccount of the Interest Account” means the subaccount created and so designated by Section 401.

“Series 2018 Subaccount of the Principal Account” means the subaccount created and so designated by Section 401.

“Series 2018 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 401.

“Series 2018 Subaccount of the Sinking Fund Account” means the subaccount created and so designated by Section 401.

“Sinking Fund Requirement” means, with respect to the Term Bonds and for any Bond Year, the principal amount fixed or computed for retirement by purchase or redemption on March 1 of the following Bond Year.

The Sinking Fund Requirements for the Term Bonds shall be initially the respective principal amounts of such Term Bonds for retirement on each March 1 as fixed in Section 301.

If during any Bond Year, the total principal amount of the Term Bonds retired by purchase or redemption under the provisions of this Supplemental Trust Agreement shall be greater than the amount of the Sinking Fund Requirement for such Term Bonds, the subsequent Sinking Fund Requirements for such Term Bonds shall be reduced in such amount aggregating the amount of such excess as shall be specified in an Officer’s Certificate filed with the Trustee on or prior to March 15 of the next ensuing Bond Year.

“Term Bonds” means the Series 2018 Bonds maturing on March 1, 20__ and 20__.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Supplemental Agreement unless some other reference is indicated.

ARTICLE II

**AUTHORIZATION, FORM, ISSUANCE, DELIVERY
AND REGISTRATION OF THE SERIES 2018 BONDS**

Section 201. Authorization and Issuance of the Series 2018 Bonds. The City hereby authorizes the issuance of \$ _____ City of Greenville, North Carolina Stormwater System Revenue Bonds, Series 2018 for the purpose of providing funds, together with any other available funds, to (a) pay or reimburse the Costs of the Series 2018 Project and (b) pay the other costs and expenses incurred in connection with the sale and issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be issued under and pursuant to the Constitution and the laws of the State, including the Act, an order adopted by the City Council of the City on January 11, 2018, the Trust Agreement and this Supplemental Agreement, subject to the conditions set forth herein and therein.

Section 202. Form of Series 2018 Bonds. The definitive Series 2018 Bonds are issuable in fully registered form in denominations of \$5,000 or any whole multiple thereof, shall be lettered "R-" and shall be numbered from 1 consecutively upward. The definitive Series 2018 Bonds shall be substantially in the form set forth in Exhibit B attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Trust Agreement or this Supplemental Agreement.

Section 203. Details of Series 2018 Bonds. The Series 2018 Bonds shall be dated as of the date of delivery thereof, shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) until their payment, such interest to the maturity thereof being payable semiannually on each Interest Payment Date, and shall be stated to mature on March 1 (subject to the right of prior redemption), as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-------------------------	-------------------------	----------------------

The Series 2018 Bonds shall be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate with respect to each date on which the Series 2018 Bonds are stated to mature, in the aggregate

principal amount of the Series 2018 Bonds stated to mature on such date, and registered in the name of Cede & Co., as nominee of the Depository Trust Company, Jersey City, New Jersey (“DTC”), will be issued and required to be deposited with DTC or its designee and immobilized in its custody. The book-entry system will evidence ownership of the Series 2018 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of and interest on the Series 2018 Bonds shall be payable to Cede & Co. or any other person appearing on the registration books of the City as the registered owner of such Series 2018 Bond or its registered assigns or legal representatives. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2018 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Series 2018 Bonds or (b) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2018 Bonds would adversely affect the interests of the beneficial owners of the Series 2018 Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified Securities Depository to replace DTC, the City will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Series 2018 Bonds, and the references to DTC or Cede & Co. in this Supplemental Agreement shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the City fails to identify another qualified Securities Depository to replace DTC, the City will deliver replacement bonds in the form of fully registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Series 2018 Bonds as required by DTC and others.

Section 204. Terms and Condition for Issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be executed substantially in the form and in the manner herein set forth and shall be deposited with the Trustee for authentication, but before the Series 2018 Bonds shall be authenticated and delivered to the State Treasurer for redelivery to the purchasers thereof, there shall be filed with the Trustee, in addition to the items required to be delivered to the Trustee pursuant to Section 208 of the Trust Agreement, the following:

- (a) fully executed copy of this Supplemental Agreement;
- (b) copies of insurance certificates or other evidence of insurance required by the Trust Agreement; and
- (c) an opinion of the City Attorney to the effect that (i) the Trust Agreement and this Supplemental Agreement have each been duly authorized, executed and delivered by the City, (ii) to the best of his knowledge, no provisions of the Trust Agreement or this Supplemental Agreement violate any provisions of the City’s charter or results in or

constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, (iii) the execution and delivery of the Trust Agreement and this Supplemental Agreement by the City and the issuance of the Series 2018 Bonds by the City are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, (iv) the form, terms, execution, issuance and delivery of the Series 2018 Bonds have been duly and validly authorized by the City and (v) all approvals, consents, authorizations, certifications and other orders of any governmental authority, board, agency or commission having jurisdiction, or filings with any such entities, which would be necessary for the acquisition and construction of the Series 2018 Project, and which are required to have been obtained or to have been filed by the Closing Date, have been obtained or filed; provided, however, that with respect to those portions of the Series 2018 Project which have not been started or completed by the Closing Date, such opinion may state that if such approvals, consents, authorizations, certifications and other orders have not been obtained or filed by the Closing Date, the City Attorney does not anticipate any difficulty in obtaining or filing the same when applied for after the Closing Date, and with respect to such portion of the Series 2018 Project as may require the acquisition of property by eminent domain, the City Attorney may state that he reasonably anticipates such property can be acquired through eminent domain proceedings; and provided further that such opinion may except matters pertaining to compliance with federal and State securities laws, The Local Government Finance Act of the State of North Carolina, including, without limitation, the Act, and federal and State taxation.

When the documents mentioned in Section 208 of the Trust Agreement and subsections (a) through (c) of this Section shall have been filed with the Trustee, and when the Series 2018 Bonds shall have been executed and authenticated as required by this Supplemental Agreement, the Bonds shall be delivered to or upon the order of the State Treasurer for redelivery to or upon the order of the purchasers thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2018 Bonds of \$ _____ (representing \$ _____ aggregate principal amount of the Series 2018 Bonds, plus a **[net]** original issue premium of \$ _____ and less an underwriters' discount of \$ _____).

Simultaneously with the Closing, the Trustee shall cause the proceeds of the Series 2018 Bonds in the amount of \$ _____ to be deposited to the credit of the Series 2018 Project Account of the Project Fund to pay the Costs of the Series 2018 Project and any related costs of issuance.

ARTICLE III

REDEMPTION OF SERIES 2018 BONDS

Section 301. Redemption of Series 2018 Bonds. (a) The Series 2018 Bonds shall not be subject to prior redemption except as provided in this Article III and in Article III of the Trust Agreement.

(b) The Series 2018 Bonds maturing on or after March 1, 20__ are subject to redemption prior to their respective maturities, at the option of the City, from any moneys that may be available for such purpose, either in whole or in part on any date on or after March 1, 20__, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus accrued interest to the redemption date.

(c) The Term Bonds maturing on March 1, 20__ are subject to mandatory redemption in part on March 1, 20__, and on each March 1 thereafter, in the principal amounts set forth below from moneys deposited to the credit of the Series 2018 Subaccount of the Sinking Fund Account, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
-------------	---------------

* Maturity

The Term Bonds maturing on March 1, 20__ are subject to mandatory redemption in part on March 1, 20__, and on each March 1 thereafter, in the principal amounts set forth below from moneys deposited to the credit of the Series 2018 Subaccount of the Sinking Fund Account, at a Redemption Price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
-------------	---------------

* Maturity

Section 302. Selection of Series 2018 Bonds for Redemption. The Series 2018 Bonds shall be redeemed only in whole multiples of \$5,000. If less than all the Series 2018 Bonds are called for redemption, other than mandatory sinking fund redemption, the Series 2018 Bonds of

each maturity to be so redeemed shall be called for redemption in the manner set forth in an Officer's Certificate filed with the Trustee.

If less than all of the Series 2018 Bonds of any one maturity are to be called for redemption, the Trustee shall select the Series 2018 Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Series 2018 Bond for this purpose; provided, however, that so long as the only Owner of the Series 2018 Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository by lot in accordance with its operating rules and procedures.

Section 303. Redemption Notice. At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2018 Bonds to be redeemed, whether such redemption be in whole or in part, the Trustee shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all Owners of Series 2018 Bonds to be redeemed in whole or in part, provided that notice to any Securities Depository shall be sent by registered or certified mail or as otherwise required or permitted by the Securities Depository, and provided further that failure to mail any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2018 Bonds of any other Owner to whom notice was properly given.

Each such notice shall set forth the designation, date and Series of the Series 2018 Bonds, the CUSIP numbers of the Series 2018 Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and Bond Registrar, the date of the redemption notice, the maturities of the Series 2018 Bonds to be redeemed and, if less than all of the Series 2018 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2018 Bonds to be redeemed and, in the case of Series 2018 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2018 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2018 Bond, a new Series 2018 Bond in principal amount equal to the unredeemed portion of such Series 2018 Bond will be issued.

The Trustee shall also, not less than thirty (30) days prior to the redemption date, give notice of such redemption by first class mail, postage prepaid, to the Local Government Commission. The failure to give such notice, nor any defect therein, shall not affect the sufficiency of the proceedings for redemption.

Any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Series 2018 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2018 Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such Series 2018 Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

ARTICLE IV

ACCOUNTS, SUBACCOUNTS, REVENUES AND FUNDS; OTHER COVENANTS

Section 401. Establishment of Subaccounts. (a) There is hereby established with the Trustee the following subaccounts of the Bond Fund:

- (1) Series 2018 Subaccount of the Interest Account;
- (2) Series 2018 Subaccount of the Principal Account;
- (3) Series 2018 Subaccount of the Redemption Account; and
- (4) Series 2018 Subaccount of the Sinking Fund Account.

(b) There is hereby established with the Trustee the “Series 2018 Project Account” of the Project Fund.

The Series 2018 Bonds are not secured by the Parity Reserve Account or any Special Reserve Account.

Section 402. Revenues Received by the City. The City shall, subject to the provisions of Sections 503 and 504 of the Trust Agreement, deposit or cause to be deposited, from Net Receipts held in the Revenue Fund, with the Trustee the following amounts, and the Trustee shall apply such amounts to the various accounts and subaccounts specified herein in the following order:

(a) into the Series 2018 Subaccount of the Interest Account, on the 25th day of the month immediately preceding each Interest Payment Date, the amount required to pay the interest due on the Series 2018 Bonds on such Interest Payment Date;

(b) into the Series 2018 Subaccount of the Principal Account, on the 25th day of the month immediately preceding each March 1, the amount required to pay the principal of all Serial Bonds coming due on such March 1;

(c) into the Series 2018 Subaccount of the Sinking Fund Account, on the 25th day of the month immediately preceding each March 1, the amount required to retire the Term Bonds to be called by mandatory redemption or to be paid at maturity on such March 1 in accordance with the Sinking Fund Requirement therefor; and

Section 403. Application of Money in the Series 2018 Project Account. Money deposited in the Series 2018 Project Account in accordance with Section 204 shall be applied to pay the Costs of the Series 2018 Project and the costs and expenses incurred in connection with the issuance of the Series 2018 Bonds, all in accordance with Article IV of the Trust Agreement.

Section 404. Application of Money in the Series 2018 Subaccount of the Sinking Fund Account. Money held in the Series 2018 Subaccount of the Sinking Fund Account shall be

applied during each Bond Year to the purchase or retirement of Term Bonds then Outstanding as follows:

(a) The Trustee shall, at the request of the City, endeavor to purchase and cancel Term Bonds or portions thereof subject to redemption by operation of the Series 2018 Subaccount of the Sinking Fund Account or maturing on the next ensuing March 1 at the direction of an Authorized Officer. The purchase price of each such Term Bond shall not exceed the principal amount of the Series 2018 Bonds to be purchased plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Series 2018 Subaccount of the Interest Account and the principal amount of the Series 2018 Bonds to be purchased from the Series 2018 Subaccount of the Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Series 2018 Subaccount of the Sinking Fund Account within the period of forty-five (45) days immediately preceding any March 1 on which such Term Bonds are subject to redemption. The City shall only request that the Trustee purchase Series 2018 Bonds pursuant to this subsection (a) to the extent that amounts are available in the Series 2018 Subaccount of the Sinking Fund Account and the Series 2018 Subaccount of the Interest Account to pay the purchase price. The aggregate purchase price of Term Bonds during such Bond Year shall not exceed the amount deposited in the Series 2018 Subaccount of the Sinking Fund Account on account of the Sinking Fund Requirement for the Term Bonds for such Bond Year. If in any Bond Year the sum of the amount on deposit in the Series 2018 Subaccount of the Sinking Fund Account for the payment of any Term Bonds and the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) or delivered during such Bond Year to the Trustee by the City exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall, upon the direction of the City, endeavor to purchase Outstanding Term Bonds with such excess money. The Trustee shall have no responsibility to the City for the purchase price paid for any Bonds so purchased, so long as such purchase price is not greater than the principal amount of Bonds purchased, plus accrued interest thereon. If the Series 2018 Bonds cannot be purchased for a price equal to or less than the principal amount thereof, then the funds so deposited with the Trustee shall be applied as provided in subsection (b).

(b) The Trustee shall call for redemption on March 1 immediately following the then current Bond Year the Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired during such Bond Year by purchase pursuant to paragraph (a) of this Section or delivered during such Bond Year to the Trustee by the City. If the amount available in the Series 2018 Subaccount of the Sinking Fund Account on such March 1 is not equal to the Sinking Fund Requirement for the Term Bonds for such Bond Year less the principal amount of any such Term Bonds so delivered or purchased and retired, the Trustee shall apply the amount available in the Series 2018 Subaccount of the Sinking Fund Account to the redemption of Term Bonds then subject to redemption so as to exhaust, to the extent practicable, the amount available. On each redemption date the Trustee shall withdraw from the Series 2018 Subaccount of the Sinking Fund Account the amount required to pay the Redemption

Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption shall be paid from the Series 2018 Subaccount of the Interest Account. If such date is the stated maturity date of any such Term Bonds, the Trustee shall not call such Term Bonds for redemption but, on such maturity, shall withdraw the amount required for paying the principal of such Term Bonds when due and payable.

If on any date there is money in the Series 2018 Subaccount of the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and shall apply the same as follows and in the following order: (a) deposit in the Series 2018 Subaccount of the Interest Account and the Series 2018 Subaccount of the Principal Account, the amounts, if any, required to be paid thereto in such month and (b) deposit all remaining amounts to the Revenue Fund.

If, in any Bond Year, by the application of money in the Series 2018 Subaccount of the Sinking Fund Account, the Trustee should purchase or receive from the City and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee shall file with the City not later than the twentieth (20th) day prior to the next March 1 on which Term Bonds are to be redeemed, a statement identifying the Term Bonds purchased or delivered during such Fiscal Year and the amount of such excess. The City shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than March 15 of the following Bond Year setting forth with respect to the amount of such excess the Fiscal Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase and redemption pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by the City from the Revenue Fund or from any other available moneys.

Section 405. Application of Money in the Series 2018 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2018 Subaccount of the Redemption Account to the purchase or redemption of Series 2018 Bonds as follows:

(a) Subject to the provisions of subsection (c) of this Section, the Trustee shall endeavor to purchase and cancel Series 2018 Bonds or portions thereof, regardless of whether such Bonds or portions thereof are then subject to redemption, at the direction of an Authorized Officer, provided that the purchase price of each Series 2018 Bond shall not exceed the Redemption Price that would be payable on the next redemption date to the Owner of such Series 2018 Bond under the provisions of the applicable Series 2018 Subaccount of the Redemption Account. The Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement from the Series 2018 Subaccount of the Interest Account and the purchase price from the Series 2018 Subaccount of the Redemption Account, but no such purchase shall be made by the Trustee from money in

the Series 2018 Subaccount of the Redemption Account within the period of forty-five (45) days immediately preceding any date on which such Series 2018 Bonds or portions thereof are to be redeemed.

(b) Subject to the provisions of subsection (c) of this Section, the Trustee shall call for redemption on a date permitted by the Supplemental Agreement such amount of Series 2018 Bonds or portions thereof as will exhaust the money then held in the Series 2018 Subaccount of the Redemption Account as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars (\$50,000) in principal amount of the Series 2018 Bonds shall be called for redemption at any one time unless the Trustee is so instructed by the City. The Trustee shall pay the accrued interest on the Series 2018 Bonds or portions thereof to be redeemed to the date of redemption from the Series 2018 Subaccount of the Interest Account and the Redemption Price of such Bonds or portions thereof from the Series 2018 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2018 Subaccount of the Redemption Account the respective amounts required to pay the Redemption Price of the Series 2018 Bonds or portions thereof so called for redemption.

(c) Money in the Series 2018 Subaccount of the Redemption Account shall be applied by the Trustee in each Fiscal Year to the purchase or the redemption of Series 2018 Bonds then Outstanding in accordance with the latest Officer's Certificate filed with the Trustee designating the Series 2018 Bonds to be redeemed, and if such Series 2018 Bonds are Term Bonds, the years in which future Sinking Fund Requirements are to be reduced as a result of such redemption and the amount of such reduction in each such year. In the event no such certificate is filed (i) the Trustee shall apply such money to the purchase of Series 2018 Bonds bearing the highest rate of interest, (ii) if Series 2018 Bonds of more than one maturity bear the same interest rate, the Trustee shall redeem such Series 2018 Bonds in the inverse order of maturities, and (iii) if the Series 2018 Bonds bearing the highest rate of interest are Term Bonds, the Trustee shall reduce Sinking Fund Requirements for such Term Bonds in inverse order of the scheduled redemption of such Term Bonds.

Upon the retirement of any Series 2018 Bonds by purchase or redemption, pursuant to the provisions of this Section, the Trustee shall file with the City a statement identifying such Series 2018 Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses incurred by the Trustee in connection with the purchase or redemption of any such Series 2018 Bonds shall be paid by the City from the Revenue Fund or from any other available moneys.

Section 406. Investment of Money. Money held for the credit of all accounts and subaccounts established hereunder on deposit with the Trustee shall be continuously invested and reinvested by the Trustee in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such account or subaccount may mature beyond the latest maturity date of any Series 2018 Bonds Outstanding at the time such Investment Obligations are deposited.

Investment Obligations acquired with money in or credited to any account or subaccount established hereunder shall be deemed at all times to be part of such account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such account or subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such Accounts or subaccounts as follows:

<u>Fund, Account or subaccount</u>	<u>Credited to</u>
Series 2018 Project Account	Series 2018 Project Account
Series 2018 Subaccount of the Interest Account	Series 2018 Subaccount of the Interest Account
Series 2018 Subaccount of the Principal Account	Series 2018 Subaccount of the Principal Account
Series 2018 Subaccount of the Sinking Fund Account	Series 2018 Subaccount of the Sinking Fund Account
All other Funds, Accounts and Subaccounts	Revenue Fund

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the City or the Trustee, as the case may be, pursuant to the provisions of the Trust Agreement and this Supplemental Agreement.

An Authorized Officer shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Section, and the Trustee shall then invest such money as so directed. The Trustee may request in writing additional direction or authorization from the Authorized Officer with respect to the proposed investment of money. Upon receipt of such directions, the Trustee shall invest, subject to the provisions of this Section, such money in accordance with such directions.

The Trustee shall sell or reduce to cash in a commercially reasonable manner a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with Article VI of the Trust Agreement, provided that the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

Section 407. Payment of Principal, Interest and Premium and Pledge of Net Receipts. The City covenants that it will promptly pay the principal of and the interest on every Series

2018 Bond issued under the provisions of this Supplemental Agreement at the places, on the dates and in the manner provided herein and in said Series 2018 Bonds, and any premium required for the retirement of said Series 2018 Bonds by purchase or redemption, according to the true intent and meaning thereof. The City further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Supplemental Agreement and the Trust Agreement, or in any Series 2018 Bond executed, authenticated and delivered hereunder or in any proceedings of the City pertaining thereto. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2018 Bonds authorized hereby and to pledge the Net Receipts in the manner and to the extent herein and in the Trust Agreement set forth; that all action on its part for the issuance of the Series 2018 Bonds has been duly and effectively taken; and that such Series 2018 Bonds in the hands of the Owners thereof are and will be valid and binding special obligations of the City payable according to their terms.

Section 408. Tax Covenant. The City covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Series 2018 Bonds which was excludable from the gross income of their Owners for federal income taxes on the date of their issuance shall continue to be so excludable.

Section 409. Continuing Disclosure. The City hereby undertakes, for the benefit of the beneficial owners of the Series 2018 Bonds, to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2018, audited financial statements of the City for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the City are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2018, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings in the Official Statement, dated January __, 2018, relating to the Series 2018 Bonds (the “Official Statement”), to the extent that such items are not included in the financial statements referred to in (a) above:

[to be inserted]

(c) in a timely manner not in excess of ten (10) business day after the occurrence of the event, notice of any of the following events with respect to the Series 2018 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds or other events affecting the tax status of the Series 2018 Bonds;
- (7) modification to the rights of the beneficial owners of the Series 2018 Bonds, if material;
- (8) bond calls, other than calls for mandatory sinking fund redemption, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Series 2018 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional Trustee or the change of name of the Trustee, if material; and

(d) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City may meet the continuing disclosure filing requirement described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

If the City fails to comply with the undertaking described above, the Trustee or any beneficial owner of the Series 2018 Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an Event of Default under the Trust Agreement and shall not result in any acceleration of the Series 2018 Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Series 2018 Bonds.

The City reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the City, provided that:

(a) 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 City;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Owners of the Series 2018 Bonds, as determined by the Trustee or bond counsel to the City, or by approving vote of the Owners of a majority in principal amount of the Series 2018 Bonds then Outstanding pursuant to the terms of the Trust Agreement at the time of the amendment.

In the event that the City makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Series 2018 Bonds.

ARTICLE V
THE TRUSTEE

Section 501. Acceptance of Duties by Trustee. The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Supplemental Agreement.

ARTICLE VI

SUPPLEMENTAL TRUST AGREEMENTS

Section 601. Modification of Supplemental Agreement Without Consent of Owners. The City may, from time to time and at any time, execute and deliver such trust agreements supplemental hereto (which supplemental trust agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Supplemental Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, shall not materially and adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Supplemental Agreement or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Supplemental Agreement;

(b) to grant or to confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) to add to the covenants and agreements of the City in this Supplemental Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City;

(d) to permit the qualification of this Supplemental Agreement under any federal statute now or hereafter in effect or under any state blue sky law, and, in connection therewith, if the City so determines, to add to this Supplemental Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky law; or

(e) to provide for the issuance of Series 2018 Bonds in bearer form.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed supplemental trust agreement to be mailed first-class, postage prepaid, to the Local Government Commission and to all Owners of the Series 2018 Bonds. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners of the Series 2018 Bonds. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental trust agreement.

Section 602. Modification of Supplemental Agreement with Consent of Owners. Subject to the terms and provisions contained in this Section, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2018 Bonds then Outstanding that will be affected, as defined in Section 603, by a proposed supplemental trust agreement shall have the right, from time to time, anything contained in this Supplemental Agreement to the

contrary notwithstanding, to consent to and approve the execution and delivery by the City and the Trustee of such supplemental trust agreement as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Supplemental Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Series 2018 Bond without the consent of Local Government Commission and the Owner of such Series 2018 Bond, (b) a reduction in the principal amount of any Series 2018 Bond or the redemption premium or the rate of interest thereon without the consent of Local Government Commission and the Owner of such Series 2018 Bond, (c) the creation of a pledge, charge and lien upon the Net Receipts other than the pledge, charge and lien created by the Trust Agreement without the consent of the Local Government Commission and all Owners of the Series 2018 Bonds then Outstanding, (d) a preference or priority of any Series 2018 Bond over any other Series 2018 Bond without the consent of the Local Government Commission and all Owners of the Series 2018 Bonds then Outstanding, or (e) a reduction in the aggregate principal amount of Series 2018 Bonds required for consent to such supplemental trust agreement without the consent of the Local Government Commission and all Owners of the Series 2018 Bonds then Outstanding. Nothing herein contained, however, shall be construed as making necessary the approval by the Owners of the execution and delivery of any supplemental trust agreement as authorized in Section 601.

The Trustee shall, at the expense of the City, such expense to be paid from the Revenue Fund or from any other available moneys, cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to the Local Government Commission and all Owners of the Series 2018 Bonds as of the date such notice is mailed. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplemental trust agreement when approved and consented to as provided in this Section.

Whenever, at any time within three (3) years after the date of the mailing of such notice, the City shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of Series 2018 Bonds then Outstanding that are affected, as defined in Section 603, by a proposed supplemental trust agreement, which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Series 2018 Bonds Outstanding at the time of the execution and delivery of such supplemental trust agreement and that are affected, as defined in Section 603, by a proposed trust agreement have consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, no Owner shall have any right to object to the execution and delivery of such

supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the City or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any supplemental trust agreement pursuant to the provisions of this Section or Section 601, this Supplemental Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Supplemental Agreement of the City, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Supplemental Agreement, as so modified and amended.

Section 603. Series 2018 Bonds Affected. For purposes of this Supplemental Agreement, Series 2018 Bonds shall be deemed to be “affected” by a supplemental trust agreement if the same adversely affects or diminishes the rights of Owners against the City or the rights of the Owners in the security for such Series 2018 Bonds. The Trustee may in its discretion determine whether any Series 2018 Bonds would be affected by any supplemental trust agreement, and any such determination shall be conclusive upon the Owners of all Series 2018 Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

Section 604. Exclusion of Series 2018 Bonds. Series 2018 Bonds owned or held by or for the account of the City shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Series 2018 Bonds provided for in this Article, and the City as Owner of such Series 2018 Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee an Officer’s Certificate upon which the Trustee may rely, describing all Series 2018 Bonds so to be excluded.

Section 605. Responsibilities of Trustee and City under this Article. The Trustee and the City shall be entitled to exercise their discretion in determining whether or not any proposed supplemental trust agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be bond counsel for the City, as conclusive evidence that any such proposed supplemental trust agreement does or does not comply with the provisions of this Supplemental Agreement, and that it is or is not proper for it, under the provisions of this Article, to execute and deliver such supplemental trust agreement.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the City, the Local Government Commission or the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested postage prepaid, addressed as follows:

(a) As to the City --

City of Greenville
Financial Services Department
200 West Fifth Street
Greenville, North Carolina 27834
Attention: Director of Financial Services

(b) As to the Trustee --

Attention: _____

(c) As to the Local Government Commission --

North Carolina Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

Section 702. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the City, the Local Government Commission or the Trustee shall be unable to mail any notice required to be given by the provisions of this Supplemental Agreement, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of

this Supplemental Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 703. City, Trustee and Owners Alone Have Rights under Supplemental Agreement. Except as herein otherwise expressly provided, nothing in this Supplemental Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City, the Trustee and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Supplemental Agreement or any provision being intended to be and being for the sole and exclusive benefit of the City, the Trustee and the Owners.

Section 704. Effect of Partial Invalidity. In case any one or more of the provisions of this Supplemental Agreement or the Series 2018 Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Supplemental Agreement or the Series 2018 Bonds, but this Supplemental Agreement and the Series 2018 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this Supplemental Agreement or the Series 2018 Bonds shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent permitted by law.

Section 705. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the City contained in this Supplemental Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent permitted by the Constitution and laws of the State. This Supplemental Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 706. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Agreement, nor shall they affect its meaning, construction or effect.

Section 707. Further Authority. The officers of the City, attorneys, engineers and other agents or employees of the City are hereby authorized to do all acts and things required of them by this Supplemental Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2018 Bonds and this Supplemental Agreement.

Section 708. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Supplemental Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Supplemental Agreement.

Section 709. Multiple Counterparts. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Trustee have caused this Supplemental Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

CITY OF GREENVILLE, NORTH CAROLINA

[SEAL]

By: _____
Mayor

Attest:

City Clerk

_____, as Trustee

By: _____

DESCRIPTION OF SERIES 2018 PROJECT

The Series 2018 Project consists of various improvements to the City's existing structural and natural stormwater system facilities, including, without limitation, the following:

[to be inserted]

EXHIBIT B

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City of Greenville, North Carolina or its agent for registration or transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FORM OF SERIES 2018 BONDS

R-__ \$ _____

United States of America
State of North Carolina
County of Pitt

**CITY OF GREENVILLE, NORTH CAROLINA
STORMWATER SYSTEM REVENUE BOND
SERIES 2018**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
_____%	March 1, 20__	_____

The City of Greenville, North Carolina (the “City”), a municipal corporation existing under the laws of the State of North Carolina, for value received, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns or legal representative, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof at the designated corporate trust office of _____ in _____, _____ (the “Trustee”), the principal sum set forth above. The City also promises to pay, but solely from said sources, interest on this bond (calculated on the basis of a 360-day year consisting of twelve 30-day months) from the interest payment date next preceding the date on which it is authenticated, unless it is authenticated on an interest payment date, in which event it shall bear interest from such interest payment date, or it is authenticated prior to September 1, 2018, in which event it shall bear interest from its date, payable on March 1 and September 1 of each year, beginning September 1, 2018, at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date (as defined in the Trust Agreement hereinafter mentioned) for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the registered owners not less than ten (10) days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities

exchange on which the Series 2018 Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is one of a duly authorized series of revenue bonds of the City designated “Stormwater System Revenue Bonds, Series 2018” (the “Series 2018 Bonds”), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act, an order of the City adopted on January 11, 2018, authorizing the issuance of the Bonds, a Trust Agreement, dated as of March 1, 2018 (the “Trust Agreement”), between the City and _____, as Trustee, and a First Supplemental Trust Agreement, dated as of March 1, 2018 (the “Supplemental Agreement”), between the City and the Trustee. The Series 2018 Bonds, together with other available funds, are being issued for the purpose of providing funds, together with any other available funds, to (a) pay or reimburse the costs of the Series 2018 Project (as defined in the Supplemental Agreement) and (b) pay the other costs and expenses incurred in connection with the sale and issuance of the Series 2018 Bonds. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement and the Supplemental Agreement.

The Series 2018 Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Supplemental Agreement. One bond certificate with respect to each date on which the Series 2018 Bonds are stated to mature, in the aggregate principal amount of the Series 2018 Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey (“DTC”), is being issued and required to be deposited with DTC or its custodian and immobilized in its custody. The book-entry system will evidence ownership of the Series 2018 Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to beneficial owners of the Series 2018 Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. While Cede & Co. is the registered owner of this bond, notwithstanding the provisions hereinabove contained, payments of principal of and interest on this bond shall be made in accordance with the existing arrangements between the Trustee and DTC.

The Series 2018 Bonds are special obligations of the City secured by a pledge, charge and lien upon Net Receipts. The City is not obligated to pay the principal of or the interest on the Series 2018 Bonds except as provided in the Trust Agreement from Net Receipts or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the City is pledged to the payment of the principal of and the interest on the Series 2018 Bonds.

The Trust Agreement provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions set forth therein of additional bonds and Parity Debt

secured pari passu as to the pledge of Net Receipts with the outstanding Series 2018 Bonds and any additional bonds or Parity Debt hereafter issued or incurred pursuant to the Trust Agreement.

Reference is made to the Trust Agreement and the Supplemental Agreement for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the registered owners of the Series 2018 Bonds. Copies of the Trust Agreement and the Supplemental Agreement will be available for inspection by any registered owner of the Series 2018 Bonds at all reasonable times at the designated corporate trust office of the Trustee. By the purchase and acceptance of this bond, the registered owner hereof signifies assent to all of the provisions of the Trust Agreement and the Supplemental Agreement.

The Trust Agreement provides for the creation of a special fund designated “City of Greenville Stormwater System Bond Fund” (the “Bond Fund”). Pursuant to the Supplemental Agreement, special subaccounts have been created within the various accounts of the Bond Fund with respect to the Series 2018 Bonds (the “Subaccounts”), which Subaccounts are pledged and charged with the payment of the principal of and the interest on the Series 2018 Bonds. The Supplemental Agreement provides for the deposit of Net Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Trust Agreement and the Supplemental Agreement. The Series 2018 Bonds are not secured by the Parity Reserve Account or any Special Reserve Account.

At the designated corporate trust office of the Trustee, in the manner and subject to the conditions provided in the Trust Agreement, Series 2018 Bonds may be exchanged for an equal aggregate principal amount of Series 2018 Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Trustee shall keep at its designated corporate trust office books for the registration of transfer of the Series 2018 Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Trust Agreement upon the surrender hereof to the Trustee together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer, the Trustee shall deliver in exchange for this Series 2018 Bond a new Series 2018 Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Series 2018 Bonds maturing on or after March 1, 20__ are subject to redemption prior to their respective maturities, at the option of the City, from any moneys that may be available for such purpose, either in whole or in part on any date on or after March 1, 20__, at a redemption price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed, plus accrued interest to the redemption date.

The Term Bonds maturing on March 1, 20__ are subject to mandatory redemption in part beginning on March 1, 20__ and on each March 1 thereafter until the maturity thereof, in the amounts set forth in the Supplemental Agreement as the mandatory sinking fund requirements therefor, from moneys deposited to the credit of the Series 2018 Subaccount of the Sinking Fund

Account, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

The Term Bonds maturing on March 1, 20__ are subject to mandatory redemption in part beginning on March 1, 20__ and on each March 1 thereafter until the maturity thereof, in the amounts set forth in the Supplemental Agreement as the mandatory sinking fund requirements therefor, from moneys deposited to the credit of the Series 2018 Subaccount of the Sinking Fund Account, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

At least thirty (30) days but not more than sixty (60) days prior to the redemption date of any Series 2018 Bonds to be redeemed, whether such redemption is in whole or in part, the Trustee shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to all registered owners of Series 2018 Bonds to be redeemed in whole or in part, provided that failure to mail any such notice to any registered owner or any defect in such notice shall not affect the validity of the proceedings for such redemption as to the Series 2018 Bonds of any other registered owner to whom such notice is properly given.

On the date designated for redemption, notice having been given as aforesaid, the Series 2018 Bonds or portions thereof so called for redemption shall become due and payable at the redemption price provided for the redemption of such Series 2018 Bonds or such portions thereof on such date plus accrued interest to such date.

The Series 2018 Bonds shall be redeemed only in whole multiples of \$5,000. If less than all of the Series 2018 Bonds are to be called for redemption, other than mandatory sinking fund redemption, the Series 2018 Bonds of each maturity to be so redeemed shall be called for redemption in the manner set forth in an Officer's Certificate filed with the Trustee.

If less than all of the Series 2018 Bonds of any one maturity are to be called for redemption, the Trustee shall select the Series 2018 Bonds to be redeemed by lot, each \$5,000 portion of principal being counted as one Series 2018 Bond for this purpose; provided, however, that so long as the only Owner of the Series 2018 Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository by lot in accordance with its operating rules and procedures.

Any notice of redemption, except a notice of redemption in respect of a Sinking Fund Requirement, may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Series 2018 Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Series 2018 Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such Series 2018 Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The registered owner of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Trust Agreement and the Supplemental Agreement or in any supplement trust agreement thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement and the Supplemental Agreement, as the case may be.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Trust Agreement and the Supplemental Agreement, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Trust Agreement and the Supplemental Agreement have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement or the Supplemental Agreement until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Greenville, North Carolina, by resolution duly adopted by its City Council, has caused this bond to be manually signed by the Mayor and the City Clerk of said City and its official seal to be impressed hereon, all as of the ___ day of March, 2018.

Mayor

[SEAL]

City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The State and Local Government Revenue Bond Act.

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is a bond of the Series designated therein and issued under the provisions of the within mentioned Trust Agreement and Supplemental Agreement.

_____, as Trustee

By: _____
Authorized Signatory

Date of authentication: _____

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY NUMBER
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

the within bond and all right thereunder, and hereby irrevocably constitutes and appoints _____
_____, attorney, to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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