

AGENDA

Catawba County Board of Commissioners Meeting
Monday, April 7, 2025, 7:00 p.m.
Board of Commissioners Meeting Room 2nd Floor,
Catawba County Justice Center
100 Government Drive, Newton, NC

1. Call to Order.
2. Pledge of Allegiance to the Flag.
3. Invocation.
4. [Approval of the Minutes from the Board's Regular Meeting of March 17, 2025.](#)
5. Recognition of Special Guests.
6. Public Comments.
7. [Appointments.](#)
8. Presentations.
 - a. [Proclamation Declaring April 18th as Line Worker Appreciation Day.](#)
 - b. [Proclamation Declaring April as Child Abuse Awareness Month. Presented to Catawba County Children's Advocacy & Protection Center Executive Director Adrienne Opdyke and Emergency Services Community Engagement Specialist Melanie Sigmon.](#)
 - c. [Proclamation Declaring April as Public Health Month. Presented to Public Health Director Jennifer McCracken and Assistant Director Julie Byrd.](#)
 - d. [Proclamation Declaring April 13-19, 2025 as National Public Safety Telecommunications Week. Presented to 911 Communications Center Administrator Brian Drum.](#)
9. Consent Agenda.
 - a. [Catawba County Schools Mobile Unit Funding Appropriation.](#)
 - b. [Local Government Investment Pools Participation Resolution.](#)
 - c. [Preliminary Assessment: Langdon Ridge Subdivision Road Improvements.](#)
 - d. [Map Review Officer Designation.](#)
10. Other Items of Business.
11. Manager's Report.
12. Attorney's Report.
 - a. [Termination of Lease for Medical Office Building: 3900 Terrell Park Drive.](#)
13. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. Participation in public meetings is without regard to race, ethnicity, religion, sex, age, or disability.

CALENDAR: The next Board of Commissioners Meeting will take place on Monday, April 21, 2025, at 7:00 p.m., in the Board of Commissioners Meeting Room of the Catawba County Justice Center.

APPOINTMENTS

ROBERT (Due)	<u>K-64 Education Board</u>	
5/15/25	Kimberly George	Eligible for 4 th Term
5/15/25	Robbie Gonzales (NC City Schools)	Eligible - 1 st Full Term
5/15/25	Stephen Shuford	Eligible for 3 rd Term
5/15/25	Vacancy (unexpired term of Michael Johnson)	
Expired	Mike Ellwanger	Eligible for a 3 rd Term
Expired	Garrett Osborne Vacancy (Rick Coffey's seat)	Eligible for a 1 st Term
2-year terms		

Commissioner Abernethy recommends the appointment of Garrett Osborne for a first term to the K-64 Education Board, with a term expiration of May 15, 2027.

ROBERT (Due)	<u>Nursing & Rest Home Community Advisory Committee</u>	
6/18/24	Wanda Horvath	Eligible for a 4 th Term
	Warren Elston (Vacant -Warner Lawrance)	Eligible for a 1 st Term
2/14/24	Jane Turner Murphy	Eligible for a 10 th Term
	Marea Pinto (Vacant -Helen Church)	Eligible for a 1 st Term
	Craig Pinto (Vacant -Kathy Wood)	Eligible for a 1 st Term

3-year terms (Initial Terms are for 1-year only)

Commissioner Abernethy recommends the following appointments/reappointments to the Nursing & Rest Home Community Advisory Committee: Jane Murphy for a tenth term, with a term expiration of February 14, 2027; and appointments of Warren Elston, Marea Pinto and Craig Pinto to first terms, with a term expiration of April 7, 2026. (Initial terms are for one-year only)

BARBARA (Due)	<u>Library Board of Trustees</u>	
6/30/25	Carmen Isenhower	Eligible for a 2 nd Term
6/30/25	Morgan Williams	Eligible for a 2 nd Term
4-year terms		

Commissioner Beatty recommends the reappointment of Carmen Isenhower for a second term to the Library Board of Trustees, with a term expiration of June 30, 2029.

Government of Catawba County, North Carolina

PROCLAMATION

LINE WORKER APPRECIATION DAY APRIL 18, 2025

WHEREAS, on April 10, 2013, a resolution was passed in the United States Senate to recognize April 18 annually as National Lineman (Line Worker) Appreciation Day; and

WHEREAS, the profession of the electrical line worker is steeped in personal, family, and professional tradition; and

WHEREAS, line workers are often first responders during storms and other catastrophic events, working to make the scene safe for other public safety officials, and to expedite the return of vital electrical power to our communities; and

WHEREAS, these brave men and women work with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, risking and sometimes losing their lives to keep electricity flowing; and

WHEREAS, line workers are often faced with dangerous conditions, far from their families, as they work to construct and maintain energy infrastructure throughout the State of North Carolina and the United States; and

WHEREAS, line workers must use their technical knowledge, physical strength and ingenuity to achieve success in challenges they face every day; and

WHEREAS, the Catawba County Board of Commissioners thanks these skilled and heroic line workers who brave hurricanes, ice storms, snow storms, floods, and other natural disasters to maintain our community's energy grid.

NOW, THEREFORE, BE IT RESOLVED, THE CATAWBA COUNTY BOARD OF COMMISSIONERS does hereby proclaim Thursday, April 18, 2025 as “**Line Worker Appreciation Day**” in Catawba County.

This the 7th day of April, 2025.

**Randy Isenhower, Chair
Catawba County Board of Commissioners**

Government of Catawba County, North Carolina

PROCLAMATION

CHILD ABUSE PREVENTION MONTH

WHEREAS, children are our state's most vulnerable members as well as our state's most valuable resources, helping to shape the future of North Carolina; and

WHEREAS, positive childhood experiences — like loving caregivers and safe, stable, and nurturing relationships— can help mitigate trauma and the negative impact of adverse childhood experiences to promote the social, emotional, and developmental well-being of children; and

WHEREAS, childhood trauma can have long-term psychological, emotional, and physical effects throughout an individual's lifetime and impact future generations of their family; and

WHEREAS, childhood trauma, including abuse and neglect, is a serious problem affecting every community, and finding solutions requires input and action from everyone; and

WHEREAS, children who live in families with access to concrete economic and social supports are less likely to experience abuse and neglect; and

WHEREAS, nurture positive childhoods and preventing child maltreatment is possible because of the partnerships created between families, prevention advocates, child welfare professionals, education, health, community, and faith-based organizations, businesses, law enforcement agencies, and local, state, and national governments; and

WHEREAS, we acknowledge that in order to impact the public health issue of abuse and neglect we must work together to change hearts and mindsets through storytelling and sharing, center the needs of families, break down bias and barriers, and inspire action from expected and unexpected partners; and

WHEREAS, we are committed to advancing responsive, equitable, and effective systems that ensure all children and families are healthy and thriving; and

WHEREAS, we recognize the need to prioritize kids and invest in prevention initiatives like home visiting and family-strengthening policies, economic supports, and community-based child abuse prevention programs at the national, state, and local levels;

NOW, THEREFORE, THE CATAWBA COUNTY BOARD OF COMMISSIONERS does hereby proclaim April 2025 as **CHILD ABUSE PREVENTION MONTH** in Catawba County and calls upon all citizens, community agencies, faith groups, medical facilities, elected leaders, and businesses to increase their participation in efforts to support families, thereby preventing child abuse and strengthening the community in which we live.

This the 7th day of April, 2025.

Randy Isenhower, Chair
Catawba County Board of Commissioners

Government of Catawba County, North Carolina

PROCLAMATION

PUBLIC HEALTH MONTH

WHEREAS, the week of April 7-13, 2025, is National Public Health Week, and the theme is “Protecting, Connecting and Thriving: We Are All Public Health”; and April is celebrated as Public Health Month and

WHEREAS, we are working to address drivers of health that contribute to chronic diseases like cancer, heart disease, lung disease and kidney disease, which are some of the most common causes of death in Catawba County; and

WHEREAS, we recognize prevention is paramount to preserving the health of our community; and

WHEREAS, public health professionals help communities prevent, prepare for, withstand and recover from the impact of a full range of health threats, including disease outbreaks, disasters; chronic disease and more; and

WHEREAS, by emphasizing Access to Healthy Foods; Access to Safe, Engaging and Active Spaces; and Brain Health as health priorities to address in our Community Health Improvement Plan and addressing underlying drivers of health through our Strategic Plan, Catawba County Public Health and community partners are rallying around a goal of making Catawba County a healthier place to be; and

WHEREAS, in recognition of the valuable work that Catawba County Public Health performs in assessing, addressing, and assuring the health needs of the county;

NOW, THEREFORE, THE CATAWBA COUNTY BOARD OF COMMISSIONERS does hereby proclaim the month of April 2025 as “**PUBLIC HEALTH MONTH**” and the week of April 7-13th as “**PUBLIC HEALTH WEEK**” and supports Catawba County Public Health’s efforts to lead the way to a healthier community by including health considerations in community plans, through enhanced opportunities for physical activity and community connectedness, nutritious foods, and brain health resources.”

This the 7th day of April, 2025.

Randy Isenhower, Chair
Catawba County Board of Commissioners

Government of Catawba County, North Carolina

PROCLAMATION

***NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK
APRIL 13-19, 2025***

WHEREAS, emergencies that require law enforcement, fire, or emergency medical services can occur at any time; and

WHEREAS, when an emergency occurs, the prompt response of law enforcement officers, firefighters, and paramedics is critical to the protection of life and preservation of property; and

WHEREAS, the safety of our law enforcement officers, firefighters, and paramedics is dependent upon the quality and accuracy of information obtained from citizens who telephone the Catawba County 911 Communications Center; and

WHEREAS, Public Safety Telecommunicators are the very critical first contact our citizens have with emergency services; and

WHEREAS, Public Safety Telecommunicators are a vital link for our law enforcement officers, firefighters, and paramedics by monitoring their activities by radio, providing them information, and insuring their safety; and

WHEREAS, Public Safety Telecommunicators of the Catawba County E-911 Communications Center have contributed substantially to the efforts to preserve community safety through supporting responders in addressing crime, suppressing fires, and treating patients; and

WHEREAS, each dispatcher has exhibited compassion, understanding, and professionalism during the performance of their job in the past year.

NOW, THEREFORE, THE CATAWBA COUNTY BOARD OF COMMISSIONERS does hereby proclaim April 13-19, 2025 as **National Public Safety Telecommunications Week** in Catawba County in honor of the men and women whose diligence and professionalism keep our County and citizens safe.

This the 7th day of April, 2025.

**Randy Isenhower, Chair
Catawba County Board of Commissioners**

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: April 7, 2025

SUBJECT: Catawba County Schools (CCS) – Mobile Classrooms for St. Stephens and Balls Creek Elementary Schools Revision

Request:

The Finance and Personnel Subcommittee requests appropriation of \$1,415,000 from General Fund fund balance for Mobile Classrooms at St. Stephens and Balls Creek Elementary Schools.

Background:

CCS is experiencing capacity pressures in several elementary schools, particularly in the Bandys and St. Stephens High School feeder areas. These capacity issues are driven by a combination of student growth, K-3 class size restrictions requiring more classrooms in these lower grades, and the need to carve out space for ancillary programs such as art, music, and physical education that result in lower adjusted or functional capacities. To allow for the classroom size restrictions and maintain space for ancillary programs, the adjusted functional capacity of each elementary school amounts to roughly 85% of total capacity.

Two elementary schools are currently over adjusted capacities, with additional growth anticipated. Balls Creek Elementary School has a gross capacity of 794 students, with an adjusted capacity of 684 students and a current utilization rate of 102.33%. Additional growth is anticipated at Balls Creek, as several developments that feed this school are currently under construction. St. Stephens Elementary School has a total capacity of 758 students with an adjusted capacity of 649 students, and a current utilization rate of 113.4% with additional growth anticipated. Both schools were identified as pressure points in the comprehensive facilities study funded by the BOC and conducted by McKissick Associates.

The system plans to use the requested funding to enter into 5-year leases for two four-classroom modular units through Mobile Modular Management Corporation, the same vendor used to supply the unit placed at Sherrills Ford Elementary School earlier this year. Delivery, set-up, and utility connections are expected to cost \$240,500 at Balls Creek Elementary and \$280,500 at St. Stephens Elementary. Each mobile is anticipated to cost \$82,800 per year with an initial lease term of five years. Additionally, there will be a return charge per mobile of roughly \$32,575 once they are no longer needed. Total costs are projected to be \$687,065 for Balls Creek and \$727,065 for St. Stephens.

Recommendation:

The Finance and Personnel Subcommittee recommends appropriation of \$1,415,000 from General Fund fund balance for Mobile Classrooms at Balls Creek and St. Stephens Elementary Schools.

Supplemental Appropriation:

Revenue:

110-190050-690100	Fund Balance Appropriated	\$1,415,000
420-750100-750100-695110	From General Fund	\$1,415,000

Expense:

110-190900-995420	Transfer to Schools Capital Fund	\$1,415,000
420-750100-863200-31150-4-03	Mobile Classrooms	\$1,415,000

Matthew W. Stover, Ed.D.
Superintendent



Lee Miller
Asst. Superintendent
Curriculum & Instruction

Rae Thompson
Asst. Superintendent
Human Resources

Dan K. Moore
Asst. Superintendent
Operations

Memorandum

To: Mary Furtado - County Manager
From: Matthew W. Stover, Ed.D.
Date: Wednesday, March 5th, 2025
RE: Funds Request for Classroom Modular Units

Please consider this memorandum as a request for the funds necessary to lease and/or purchase two (2) four-classroom modular classroom units. These units would be placed at Balls Creek Elementary School and St. Stephens Elementary School for the 2025-26 school year.

Synopsis

Modular classroom units can be obtained in a variety of ways. The Catawba County School system has solicited pricing from four (4) mobile classroom vendors for a lease option (24, 36, and 60 months), a lease-to-own option, and a purchase option. Additional fees are associated with the set-up and delivery of the unit. If the unit is leased, there will be fees associated with the removal of the unit at the end of the lease. The costs associated with these options are included in the table "Modular Unit Pricing 2025" and can be accessed at the following link - [📄 Modular Unit Pricing 2025](#).

There are also fees associated with placement of the units on site. These fees include utility connections, plumbing, fire alarms, electrical supplies, equipment rental, paving and concrete, design fees, landscaping, trim work, and permitting. The total cost for the unit placed at Sherrills Ford Elementary School for the 2024-25 school year was \$229,219.

Current estimated expenses for the placement of each unit are indicated below.

Expense	Balls Creek	St. Stephens
Permitting	\$ 500	\$ 500
Utility Connections	\$ 45,000	\$ 60,000
Plumbing	\$ 15,000	\$ 15,000
Fire Alarm	\$ 25,000	\$ 25,000
Electrical Supplies	\$ 35,000	\$ 50,000
Paving/Concrete	\$ 5,000	\$ 20,000
Design Fees	\$ 20,000	\$ 20,000
Landscaping	\$ 5,000	N/A
General Contractor	\$ 30,000	\$ 30,000
Contingency	\$ 10,000	\$ 10,000
Total	\$190,500	\$230,500



Basis for Request

The Catawba County School system continues to experience growth in the Bandys and St. Stephens feeder schools.

Data School	5.1.24	3.5.25	+/-
St. Stephens HS	1244	1263	+ 19
HM Arndt MS	632	618	- 14
Clyde Campbell E	506	519	+ 13
Snow Creek E	581	558	- 23
St. Stephens E	715	736	+ 21
WA Murray E	384	395	+ 11
Total			+ 27
Bandys HS	912	903	- 9
Mill Creek MS	436	480	+ 44
Balls Creek E	715	700	- 15
Catawba E	437	471	+ 34
Sherrills Ford E	609	644	+ 35
Total			+ 89

Instructional Spaces

St. Stephens Elementary School has thirty-six (36) homeroom spaces and has thirty-nine (39) homerooms for the 2024-25 school year. The school has a gross capacity of 758 students with an adjusted capacity of 649. The school has a current utilization rate of 113.40%. The school currently has one hundred eight (108) students in sixth-grade with a three-year rolling average of one hundred eight (108) students enrolling in Kindergarten. The enrollment at this location is expected to remain, if not grow, for the foreseeable future. The buildout of the subdivision located on Spencer Road will continue to contribute to the growth at St. Stephens Elementary School.

Balls Creek Elementary School has thirty-three (33) homeroom spaces and has thirty-three (33) homerooms for the 2024-25 school year. The school has a gross capacity of 794 students with an adjusted capacity of 684. The school has a current utilization rate of 102.33%. The school currently has seventy-four (74) students in sixth-grade with a three-year rolling average of ninety-eight (98) students enrolling in Kindergarten. The expectation is that enrollment at this location will grow in the foreseeable future. The buildout of subdivisions located at the intersection of S NC 16 and E NC 150, as well as S NC 16 and Coley Fish Pond Road, will continue to contribute to the growth at Balls Creek Elementary School.



The Catawba County School system respectfully recommends leasing the four-classroom modular units through Mobile Modular Management Corporation. This is the same vendor the district utilized to provide the unit currently at Sherrills Ford Elementary School. The current lease agreement for the Sherrills Ford unit is for twenty-four (24) months. The total estimated costs per lease period are included in the table below.

	24-months	36-months	60-months
Delivery and Set-Up	\$ 49,990	\$ 49,990	\$ 49,990
Utility Hook-Up / Fees	\$190,500 (BCE)	\$190,500 (BCE)	\$190,500 (BCE)
	\$230,500 (SSE)	\$230,500 (SSE)	\$230,500 (SSE)
Lease Cost / Month	\$ 7,000	\$ 6,950	\$ 6,900
	\$168,000 (Total)	\$250,200 (Total)	\$414,000 (Total)
Removal Fee	\$ 32,575	\$ 32,575	\$ 32,575
Grand Total	\$441,065 (BCE)	\$523,265 (BCE)	\$687,065 (BCE)
	\$481,065 (SSE)	\$563,265 (SSE)	\$727,065 (SSE)

Thank you for consideration of this request.

Regards,

Matthew W. Stover, Ed.D.
Superintendent
Catawba County Schools

School	Expense	24-months	36-months	60-months
BCE	Delivery & Set-up	\$49,990	\$49,990	\$49,990
	Utility Hook-up/Fees	\$190,500	\$190,500	\$190,500
	Lease Cost	\$168,000	\$250,200	\$414,000
	Removal Fee	\$32,575	\$32,575	\$32,575
	Total BCE	\$441,065	\$523,265	\$687,065
SSE	Delivery & Set-up	\$49,990	\$49,990	\$49,990
	Utility Hook-up/Fees	\$230,500	\$230,500	\$230,500
	Lease Cost	\$168,000	\$250,200	\$414,000
	Removal Fee	\$32,575	\$32,575	\$32,575
	Total SSE	\$481,065	\$563,265	\$727,065
	Total Cost	\$922,130	\$1,086,530	\$1,414,130
	Monthly Lease	\$7,000	\$6,950	\$6,900

MEMORANDUM

To: Catawba County Board of Commissioners

From: Finance and Personnel Subcommittee

Date: April 7, 2025

Subject: Resolution to Participate in Local Government Investment Pools

Request

The Finance and Personnel Subcommittee requests the Board of Commissioners approve a resolution authorizing the County to participate in the North Carolina Investment Pool and North Carolina Cooperative Liquid Assets Securities System local government investment pools.

Background

NC General Statute (NCGS) §159-30 defines a limited list of authorized investment types for local governments. Of these available options, the County's investment portfolio currently includes US Treasury bills and notes, US agency bonds, money market accounts, and the North Carolina Capital Management Trust (NCCMT), a SEC registered, Local Government Commission certified, money market mutual fund. Based on the NCCMT portfolio and the County managed portfolio, investments are concentrated within a couple of sectors. Pursuant to NCGS §159-30 (c) (10), funds may be invested in a commingled investment pool established by an interlocal agreement by two or more units of local government pursuant to NCGS §160A-460 through NCGS §160A-464, if the investments of the pool are limited to those qualifying for investment under NCGS §159-30(c). To ensure safety, liquidity, and yield and to diversify the portfolio within the requirements of NCGS §159-30, staff recommend the County participate in the two local government investment pools currently approved by the Local Government Commission; North Carolina Investment Pool and North Carolina Cooperative Liquid Assets Securities System.

North Carolina Investment Pool

The North Carolina Investment Pool (NCIP) was established in 2021 to provide North Carolina government units with professionally managed commingled investment options for short-term funds. NCIP provides a short-term liquid portfolio rated AAAM by S&P Global Ratings and AAAMmf by Fitch Ratings. NCIP utilizes PFM Asset Management as its investment advisor and administrator, Parker Poe Adams & Bernstein LLP as counsel, Fifth Third Bank as the securities custodian, and Wells Fargo Bank N.A. as the depository. NCIP has a Board of Trustees made up of participating governmental units. Currently 12 counties, including Wake, Mecklenburg, Gaston, Guilford, and Buncombe are participating in NCIP. The NC Association of County Commissioners (NCACC) has partnered with NCIP as a sponsoring association.

Assets Under Management: \$1.1B

Expense Ratio: 14 basis points

Note: Participants do not pay costs directly. Portfolio expenses reduce total portfolio earnings, and that net is what is earned by participants.

The current NCIP portfolio consists of Repurchase Agreements (29%) and Commercial Paper (71%). Credit quality distribution based on S&P Ratings includes A-1+ and A-1 securities. The weighted average maturity as of February was 41 days.

North Carolina Cooperative Liquid Assets Securities System

The North Carolina Cooperative Liquid Assets Securities System (NCCLASS) is an investment pool created by an Interlocal Agreement and an Indenture of Trust, pursuant to NCGS §159-30 (c)(10). NCCLASS was organized in 2023 and provides a professionally managed investment program. Funds of the participants are invested in prime or high-grade, short-term fixed income instruments selected with the goal of providing program safety, liquidity, and competitive rates of return.

The management of NCCLASS is under the direction of a Board of Trustees comprised of eligible participants of the NCCLASS program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the investment advisor and administrator of the program, McGuire Woods, LLP as counsel, and Fifth Third Bank as the securities custodian. NCCLASS provides a short-term liquid portfolio rated AAAM by S&P Global Ratings. Currently eight counties, including Buncombe, Mecklenburg, Gaston, Lincoln, Onslow, and Harnett are participating in NCCLASS, with 31 municipalities participating. The NC League of Municipalities has partnered with NCCLASS as a sponsoring association.

Assets Under Management: \$840M currently

Expense Ratio: 11 basis points

Note: Participants do not pay costs directly. Portfolio expenses reduce total portfolio earnings, and that net is what is earned by participants.

The current NC CLASS portfolio consists of Repurchase Agreements (16.13%), A-1 Commercial Paper (38.65%), A-1+ Commercial Paper (41.28%), US Treasury (2%), and collateralized bank deposits (1.04%). The maximum weighted average maturity is less than 60 days.

Summary

The County's participation in NCIP and NCCLASS would provide daily liquidity, which offers increased flexibility and efficiency for cash flow management. The County's current portfolio is concentrated in US Treasury and US Agencies and could benefit from investment diversification within the requirements of NCGS §159-30. Participating in NCIP and NCCLASS would provide an additional option to invest idle County funds securely and efficiently.

Recommendation

The Finance and Personnel Subcommittee recommends the Board of Commissioners approve a resolution authorizing the County to participate in the North Carolina Investment Pool and North Carolina Cooperative Liquid Assets Securities System local government investment pools.

Attachments:

Resolution

Indenture of Trust NCIP

Indenture of Trust NCCLASS

NCIP Fact Sheet

NCCLASS Fact Sheet

RESOLUTION No. 2025-

RESOLUTION TO PARTICIPANT IN NORTH CAROLINA INVESTMENT POOL AND NORTH CAROLINA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEMS

WHEREAS, Catawba County Board of Commissioners desires to join with other State of North Carolina local governments or public authorities ("Local Governmental Units") to pool funds for investment as permitted by and pursuant to North Carolina General Statute (N.C.G.S.) Section 159-30(c)(10) relating to a commingled investment pool established by interlocal agreement by two or more units of local government pursuant to N.C.G.S. Sections 160A-460 through 160A-464 on containing only investments limited to those qualifying for investment under N.C.G.S. Section 159-30 (c) and N.C.G.S. Section 159-32; and

WHEREAS, both the North Carolina Investment Pool (NCIP) and North Carolina Cooperative Liquid Assets Securities System (NCCLASS) are statutory trusts formed under the laws of the State of North Carolina in accordance with the provisions of N.C.G.S. Section 159-30 (c) as set forth above.

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners that:

1. The Board hereby approves and adopts, and thereby agrees to join as a Participant with other Local Government Units, pursuant to N.C.G.S. Sections 159- 30(c)(10) and 160A-461 through 160A-464, that certain trust (the "Trust") described in the North Carolina Investment Pool Amended and Restated Indenture of Trust dated October 5, 2023 and described in the North Carolina Cooperative Liquid Assets Securities System Amended Indenture of Trust dated December 5, 2024, as both may be amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. The Chief Financial Officer, or designee, acting individually or collectively, is hereby authorized, empowered and directed to take action necessary to appropriate in the judgement of such office to accomplish the purpose and intent of this Resolution, including the execution and delivery of the Indenture and all other documents, agreements, instruments and certificate contemplated by the Indenture or necessary or appropriate to join the Trusts (collectively, the "Trust Documents"), with such changes or modifications as such officers determine to be necessary or advisable and in the best interest of the Participant. (The signature of any such officer on the Trust Documents to be conclusive evidence of such determination.)

Adopted the 7th day of April 2025

C. Randall Isenhower, Chairman
Catawba County Board of Commissioners

Attest:

Dales R. Stiles, Clerk to the Board
Catawba County Board of Commissioners

February 28, 2025



**NORTH CAROLINA
INVESTMENT POOL**

Pool Fact Sheet

The North Carolina Investment Pool was established in 2021 to provide North Carolina government units with professionally managed commingled investment options for short-term funds.

NORTH CAROLINA INVESTMENT POOL

Provides a short-term liquid portfolio rated AAAM by S&P Global Ratings⁴ and AAAMmf by Fitch Ratings⁵ investment option for North Carolina governmental units acting in accordance with the General Statutes of the State of North Carolina.

INVESTMENT OBJECTIVE

To earn the highest income consistent with preserving principal, maintaining liquidity, and seeking a stable NAV of \$1.00.

INVESTMENT PHILOSOPHY

Through diligent market analysis and careful duration management, we can help governmental units, typically limited to a conservative investment universe, seeking to maximize their income potential while maintaining stability of principal and liquidity.

FUND FACTS

As of February 28, 2025

7-Day Net Yield ¹	4.44%
Monthly Distribution Yield ²	4.46%
Weighted Average Maturity ³	41 Days
NCIP Fund Rating	AAAM by S&P Global Ratings ⁴ AAAMmf by Fitch ⁵

SERVICE PROVIDERS

Investment Adviser and Administrator:

PFM Asset Management*

Counsel: Parker Poe Adams & Bernstein LLP

Custodian: Fifth Third Bank

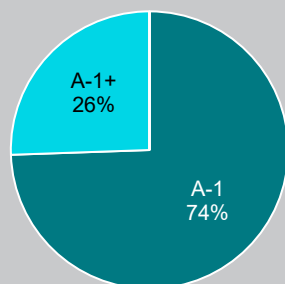
Depository: Wells Fargo Bank N.A.

Distributor: U.S. Bancorp Investments, Inc.

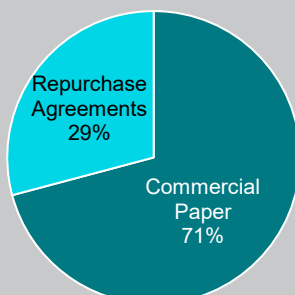
Independent Audit Firm: Ernst & Young LLP

Fund Diversification as of February 28, 2025⁷

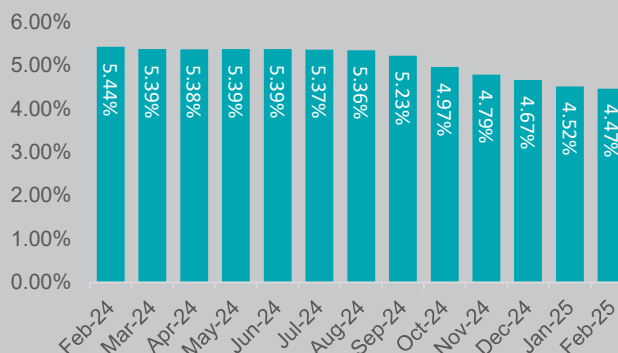
Credit Quality Distribution
(S&P Global Ratings)



Sector Composition



Fund Performance (30-Day Net Yield⁶ %)



*PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment advisor for the fund.

¹ The current seven-day yield, also referred to as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

² The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

³ Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

⁴ S&P Global AAAM Rating: S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit [SPGlobal.com/Ratings](https://www.spglobal.com/Ratings) for more information and ratings methodology.

⁵ Fitch AAAMmf Rating: portfolios with this rating denote the strongest capacity to achieve the investment objective of preserving principal and providing liquidity through limiting credit, market, and liquidity risk. Please visit [fitchratings.com](https://www.fitchratings.com) for more information and ratings methodology.

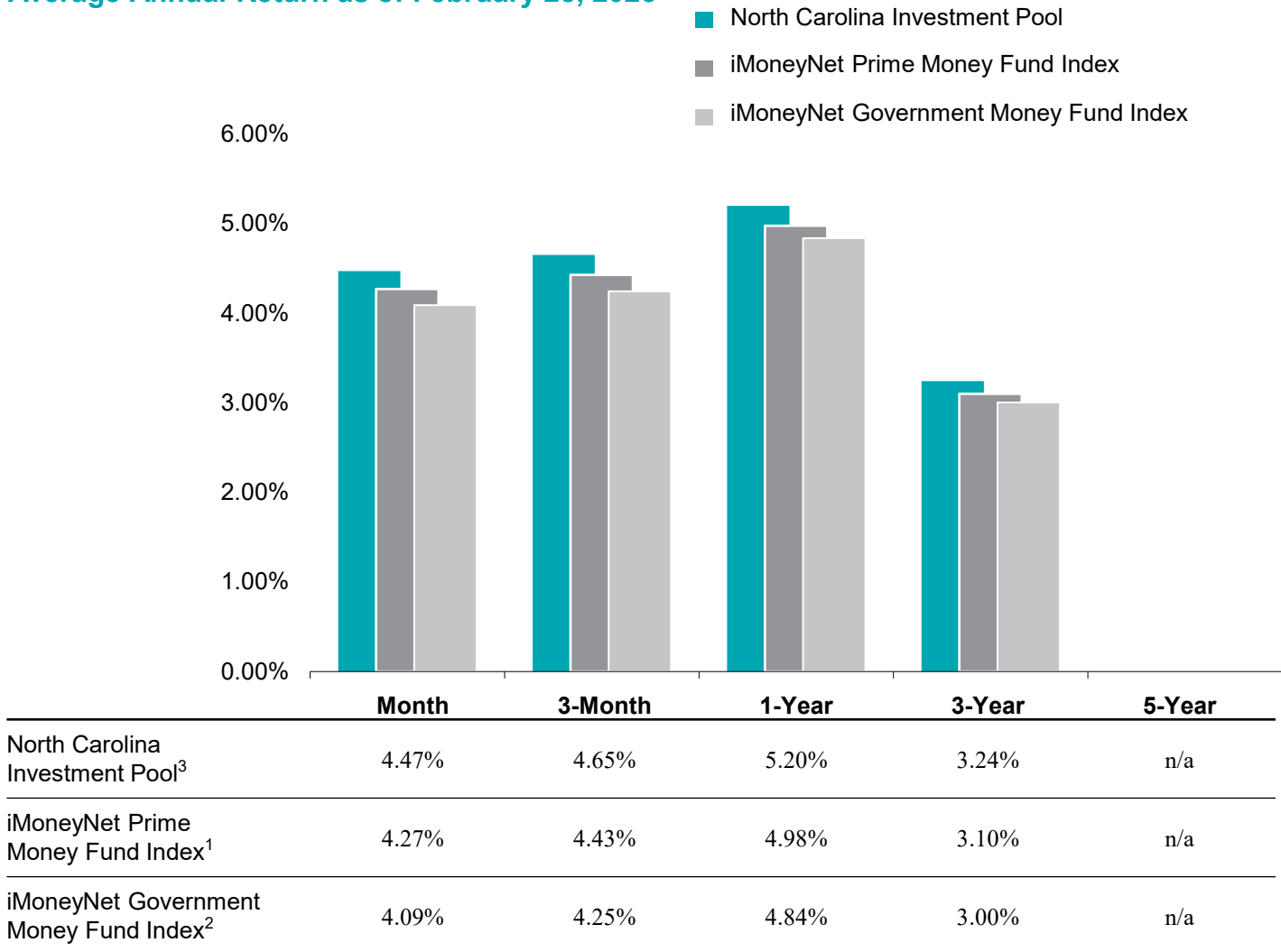
⁶ As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

⁷ Percentages may not add to 100% due to rounding.



NORTH CAROLINA INVESTMENT POOL

Average Annual Return as of February 28, 2025



This material must be preceded or accompanied by an Information Statement. For a current Information Statement, which contains more complete information, please visit <http://www.investncip.com> or call 1-833-736-NCIP (1-833-736-6247). Before investing, consider the investment objectives, risks, charges and expenses of the pool carefully. This and other information can be found in the Information Statement. Read the Information Statement carefully before you invest or send money.

¹Source: iMoneyNet First Tier Institutional Money Market Fund Average ("iMoneyNet Prime Money Fund Index"); benchmark yields are as of the last business day of each month. This index is comprised of funds rated in the top grade that invest in high-quality financial instruments with dollar-weighted average maturities of less than 60 days. It is not possible to invest directly in such an index.

²Source: iMoneyNet Government Institutional Money Market Fund Index ("iMoneyNet Government Money Fund Index"); benchmark yields are as of the last business day of each month. This index is comprised of funds rated in the top grade that invest in high-quality financial instruments with dollar-weighted average maturities of less than 60 days. It is not possible to invest directly in such an index.

³NCIP commenced operations on May 3, 2021.

Past performance is not indicative of future results and yields may vary. The yields shown above may reflect fee waivers by the North Carolina Investment Pool's ("NCIP" or the "Pool") current or prior service providers. When such waivers occur, they reduce the total operating expenses of the NCIP, and the NCIP's yields would have been lower if there were no such waivers. Refer to the NCIP's Information Statement for further information on the expenses of the NCIP and fees of its service providers.

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Participants should consider the North Carolina Investment Pool's ("NCIP" or the "Pool") investment objectives, risks, charges, and expenses before investing in the Pool. This and other information about the Pool is available in the Pool's current Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be available by calling 1-833-736-NCIP (1-833-736-6247) or is available on the Pool's website at www.investncip.com. While the Pool seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by U.S. Bancorp Investments, Inc., member FINRA (www.finra.org) and SIPC (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to the Pool. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.

www.investncip.com | 1.833.736.6247 | contact_ncip@pfmam.com

North Carolina Investment Pool

**AMENDED AND RESTATED
INDENTURE OF TRUST**

Dated as of October 5, 2023

213 Market Street
Harrisburg, PA 17101
Phone (800) 338-3383
Fax (800) 252-9551

TABLE OF CONTENTS

	<u>Page No.</u>
ARTICLE I – DEFINITIONS	2
ARTICLE II – CREATION OF TRUST	3
2.1 Creation of Trust	3
2.2 Contributions to the Trust.	5
2.3 Trustees’ Duties	5
2.4 Qualification of Trust	5
2.5 Purpose; Participant Requirements; Changes of Incumbency.	5
2.6 Trustees; Signatory Public Agencies and Participants.....	6
2.7 Voting	6
ARTICLE III - TRUST OPERATIONS.....	6
3.1 Powers of the Board of Trustees	6
3.2 Permitted Investments	7
3.3 Legal Title.....	7
3.4 Disposition of Assets	7
3.5 Taxes.....	7
3.6 Rights as Holders of Trust Property	8
3.7 Delegation: Committees.....	8
3.8 Collection Powers.....	8
3.9 Powers: Payment of Expenses.....	9
3.10 Borrowing and Indebtedness	9
3.11 Deposits	9
3.12 Valuation.....	10
3.13 Fiscal Year; Accounts	10
3.14 Self-Dealing Prohibited	10
3.15 Investment Program.....	10
3.16 Power to Contract, Appoint, Retain and Employ	10
3.17 Indemnification	11
3.18 Remedies	11
3.19 Further Powers.....	11
ARTICLE IV - INVESTMENT ADVISER AND ADMINISTRATOR	12
4.1 Appointment.....	12
4.2 Duties of the Adviser	12
4.3 Duties of the Administrator	12
4.4 Successors	13
ARTICLE V - INVESTMENTS	13
5.1 Statement of Investment Policy and Objective.....	13
5.2 Restrictions Fundamental to the Trust.....	13
5.3 Amendment of Restrictions	13
ARTICLE VI - LIMITATIONS OF LIABILITY	13

6.1	Liability to Third Persons	13
6.2	Liability to the Trust or to the Participants	14
6.3	Indemnification	14
6.4	Surety Bonds	16
6.5	Apparent Authority	16
6.6	Representative Capacity; Recitals	16
6.7	Reliance on Experts	16
6.8	Insurance	16
ARTICLE VII - INTERESTS OF PARTICIPANTS		16
7.1	Beneficial Interest	16
7.2	Title to Trust Property	17
7.3	Evidence of Investment	17
7.4	Redemptions	17
7.5	Suspension of Redemption; Postponement of Payment	17
7.6	Redemptions to Reimburse Trust for Loss on Nonpayment for Shares or for Other Charges	18
7.7	Redemptions Pursuant to Constant Net Asset Value Policy	18
7.8	Redemptions in Kind	18
7.9	Defective Redemption Requests	19
7.10	Series or Class Designations	19
ARTICLE VIII - RECORD OF SHARES		19
8.1	Share Register	19
8.2	Registrar	19
8.3	Owner of Record	19
8.4	No Transfers of Shares	20
8.5	Limitation of Fiduciary Responsibility	20
8.6	Notices	20
ARTICLE IX – RECORDS AND REPORTS		20
9.1	Inspection of Records	20
9.2	Reports	20
ARTICLE X - TRUSTEES AND OFFICERS		20
10.1	Number, Qualification and Succession of Trustees	20
10.2	Signatory Local Government Units and Trustees	21
10.3	Vacancies	21
10.4	Elections and Appointments; Term of Office	22
10.5	Resignation and Removal	22
10.6	Officers and Advisers	23
10.7	Bylaws; Quorum of Trustees	23
ARTICLE XI - DETERMINATION OF NET ASSET VALUE AND NET INCOME: DISTRIBUTIONS TO PARTICIPANTS		23

11.1	Net Asset Value	23
11.2	Retained Reserves	23
ARTICLE XII – CUSTODIAN		24
12.1	Duties	24
12.2	Appointment	24
12.3	Disbursement and Collection Agent	24
12.4	Successors	24
ARTICLE XIII - RECORDING OF INDENTURE		24
13.1	Recording	24
ARTICLE XIV - AMENDMENTS TO INDENTURE AND PERMITTED INVESTMENTS LIST; TERMINATION OF TRUST; DURATION OF TRUST		24
14.1	Amendment to Indenture or Permitted Investments List; Termination.....	24
14.2	Duration	26
14.3	Distribution upon Termination	26
ARTICLE XV – MISCELLANEOUS		26
15.1	Governing Law	26
15.2	Counterparts	26
15.3	Reliance by Third Parties	26
15.4	Provisions in Conflict with Law	27
15.5	Section Headings	27
15.6	Acceptance by Local Government Unit; Resignation and Withdrawal of Participants.....	27

**AMENDED AND
RESTATED INDENTURE
OF TRUST**

North Carolina Investment Pool

WITNESSETH:

WHEREAS, the provisions of Section 159 of the General Statutes of North Carolina, as amended and as may be further amended from time to time (“N.C.G.S.”), entitled “The Local Government Finance Act” enable any local government or public authority of the State of North Carolina (a “Local Government” or “Public Authority,” as applicable and together a “Local Government Unit”) to invest moneys in a commingled investment pool established by interlocal agreement pursuant to N.C.G.S. Section 160A-460 through 160A-464 (an “Investment Pool”) if the investments of the Investment Pool are limited to those qualifying for investment under N.C.G.S. (“Permitted Investments”); and,

WHEREAS, the initial Local Government Units of Wake County and Buncombe County satisfied the requirements of N.C.G.S. by creating a commingled investment pool by interlocal agreement pursuant to N.C.G.S. Section 160A-460 through 160A-464 and ceded the governance of the Investment Pool to its Board of Trustees; and,

WHEREAS, after the Investment Pool was established, other Local Government Units have become participants in the Local Government Pool; and,

WHEREAS, it is the intent of the initial and current Local Government Units signatory hereto (such Local Government Units, the “Signatory Local Government Units”) to create an Investment Pool, known as the North Carolina Investment Pool (the “Trust”) and that this Indenture of Trust (the “Indenture”) shall serve as the agreement for such purpose; and,

WHEREAS, it is the further intent of the initial and current Local Government Units, subject to the approval of its Board of Trustees to amend and restate the Indenture as necessary from time to time; and, WHEREAS, it is the intent and purpose of this Indenture to provide for the investment and deposit of pooled funds in only Permitted Investments by Local Government Units; and,

WHEREAS, by resolutions duly adopted, the Signatory Local Government Units hereby create the Trust as an Investment Pool pursuant to this Indenture, which action serves a governmental purpose for said Local Government Units and is, therefore, in the best interests of said Local Government Units, their officials, officers, and citizens in that such a program will offer professionally managed portfolios to meet investment needs, will result in economies of scale that will create greater purchasing powers, and will thereby lower the costs traditionally associated with the investment of the assets of said Local Government Units; and,

WHEREAS, each of the Signatory Local Government Units has duly undertaken all

actions necessary and appropriate to become a party to this Indenture for the purpose of establishing the Trust, and to perform hereunder; and,

WHEREAS, it is proposed that the beneficial interest in the assets of the trust fund created pursuant to the provisions of this Indenture shall be divided into non-transferable Shares of beneficial interest, which shall be evidenced by a share register maintained by the Trustees or their agent, or by the Administrator; and,

WHEREAS, the Signatory Local Government Units anticipate that other Local Government Units may wish to become Participants by adopting this Indenture and becoming a party hereto;

NOW, THEREFORE, the recitals set forth above are adopted and incorporated into this Indenture. In consideration of the mutual promises, covenants and agreements contained herein, the parties hereto, now and hereafter added pursuant to the provisions herein, mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns that all monies, assets, securities, funds and property now or hereafter acquired by the Trustees, their successors and assigns under this Indenture shall be held and managed in trust for the equal and proportionate benefit of the holders of record from time to time of Shares of beneficial interest herein, without privilege, priority or distinction among such holders, and subject to the terms, covenants, conditions, purposes and provisions hereof as follows:

ARTICLE I– DEFINITIONS

For purposes of this Indenture, the following terms shall have the meanings set forth:

“Administrator” means the Trust Administrator appointed by the Trustees pursuant to Section 4.1 hereof and as constituted from time to time by agreement with the Trustees which has, or has been delegated, the responsibility for administering the Trust or any aspects of it.

“Adviser” means the Investment Adviser appointed by the Trustees pursuant to Section 4.1 hereof and constituted from time to time by agreement with the Trustees which has, or has been delegated, the responsibility to effect purchases, sales, or exchanges of Trust property on behalf of the Trustees and to provide advice to the Trustees regarding the investment of Trust assets.

“Affiliate” means with respect to a Person another Person directly or indirectly controlled, controlled by or under the common control with such Person, or any officer, director, partner or employees of such Person.

“Code” means the Internal Revenue Code and any regulations promulgated pursuant thereto. “Custodian” means a qualified financial institution selected by the Trustees pursuant to a Custodian Agreement for the purpose of receiving and holding Trust assets.

“Custodian Agreement” means the agreement between the Trustees on behalf of the Trust and Custodian.

“Designee” shall mean the individual designated as such by a Participant in writing. Such Designee shall be the legal representative to act on behalf of each Participant. Each Participant may designate Alternate Designees.

“Indenture” has the meaning set forth in the recitals.

“Investment Pool” has the meaning set forth in the recitals.

“Local Government Unit” has the meaning set forth in the recitals.

“N.C.G.S.” has the meaning set forth in the recitals.

“Participants” means the Local Government Units which complete the necessary steps to become parties to this Indenture.

“Permitted Investments” has the meaning set forth in the recitals.

“Person” means any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization, entity or Local Government Unit.

“Shares” shall have the meaning ascribed to such term in Section 7.1 hereof.

“Signatory Local Government Unit” has the meaning set forth in the recitals.

“Trust” has the meaning set forth in the recitals.

“Trust Property” means any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Trust and all income, profits and gains therefrom and which, at such time, is owned or held by, for the account of the Trust.

“Trustee” means any member of the Board of Trustees.

“Trustees” means individuals appointed by the Board of Trustees and, unless otherwise provided herein, approved by the Participants to administer and supervise the affairs of the Trust.

ARTICLE II– CREATION OF TRUST

2.1 Creation of Trust. By these present, a North Carolina statutory trust is hereby established by this Indenture. The Trust shall be called the “North Carolina Investment Pool”. The Trustees may use such other designations, including “NCIP”, as the Trustees deem proper. So far as may be practicable, the Trustees shall conduct the Trust’s activities, execute all documents and sue or be sued under that name or designation, which name or designation (and the word “Trust”) wherever used in this Indenture, except where the context otherwise requires, shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisers, consultants, or accountants of the Trustee, nor shall such term refer to the Signatory Local Government Units or Participants. Should the Trustees determine that the use of such name or designation is not practicable, legal

or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem proper, and the Trust may hold property and conduct its activities under such designation or name. The Trustees shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name or designation in accordance with the laws of the State of North Carolina or the United States of America so as to protect and reserve the right of the Trust in and to such name or designation.

2.2 Contributions to the Trust.

(a) All contributions that a Participant makes to be invested by the Trustees shall be paid and delivered to the Trustees to be held in the Trust.

(b) All payments made by a Participant to the Trust, and all other money or property that lawfully becomes a part of the Trust, together with the income, appreciation or depreciation and expenses, if any, therefrom, shall be held, managed and administered in trust, pursuant to the terms of this Indenture. The Trustees accept this Trust and agree to perform the duties, responsibilities and obligations under this Indenture allocated to them as fiduciaries.

2.3 Trustees' Duties. The Trustees shall not have the right and shall not be subject to any duty to demand or collect contributions from the Participants, or from any other Person, or to enforce or attempt to enforce any agreement that may be considered to require contributions to this Trust. The Trustees shall be accountable only for transfers and contributions made to the Trust fund in accordance with the terms of this Indenture.

The powers, rights, and obligations of the Trustees shall be established and governed solely by this Indenture.

2.4 Qualification of Trust. This Trust is intended to be exempt from income tax pursuant to Section 115 of the Code, and shall be construed and operated in all respects consistently with that intention. The Trustees shall take no action which would adversely affect the tax-exempt status of the Trust. The Trustees may demand assurances satisfactory to them that any action which they are directed to take will not adversely affect the tax-exempt status of the Trust. The Trustees, or their Designee, shall take any and all actions necessary to ensure that the Trust obtains all appropriate qualifications and determination, to the extent necessary, that it is and continues to be exempt from income tax under Section 115 of the Code.

2.5 Purpose; Participant Requirements; Changes of Incumbency.

(a) The purpose of the Trust is to provide a surplus funds trust fund in accordance with North Carolina law permitting Local Government Units to pool monies available idle funds, which are not immediately required to be disbursed, with the same such monies in the treasuries of other Local Government Units, in order to invest them and earn interest in accordance with, and as permitted by, the provisions of the N.C.G.S. Section 159-30 or other laws of the State of North Carolina governing the investment of monies of a Local Government Unit. No Participant shall be required to appropriate any funds or levy any taxes to establish or contribute to this Trust. The Trustees may provide for the payment or repayment of any expenses from the earnings of the Trust.

(b) Only those Local Government Units which adopt this Indenture and have complied with the provisions of this section may become Participants. The Designee empowered to invest funds of each Local Government Unit or such other person designated by the Participant to serve in such capacity (an "Alternate Designee"), shall be the legal representative to act for and on behalf of such Local Government Unit for purposes of this Indenture.

(c) Each Local Government Unit adopting this Indenture, and otherwise complying with the provisions hereof, shall become a Participant only upon adopting this Indenture and depositing into the Trust the minimum total investment as that amount is established from time to time by the Trustees. Whenever the balance in a Participant's account is less than the minimum established by the Trustees, the Trustees may redeem the Shares and close the account; provided that thirty (30) days' prior notice shall be given to such Participant and redemption shall only be permitted if the Participant has not restored the balance in the account to the minimum amount established prior to the expiration of such thirty (30) day period which begins with the date of such notice. If the Trustees change the minimum total investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

(d) In the event that a Designee shall no longer be authorized to act on behalf of such Participant as a Designee, and in the absence of any duly-appointed Alternate Designee, any funds placed in the Trust by such Designee shall be held hereunder for the benefit of the Local Government Unit for which he or she was acting at the time the vacancy or termination of authority occurred. Any Designee assuming office, either to fill a vacancy in such office or to begin a new term following the expiration of the term in office of his or her predecessor, or otherwise becoming authorized to act as Designee on behalf of such Participant, shall become the succeeding legal representative of the Local Government Unit by the Local Government Unit filing written notification of such with the Trustees in a form acceptable to the Trustees.

2.6 Trustees; Signatory Public Agencies and Participants. No Signatory Local Government Unit or Participant, nor any or its officers, employees, agents or representatives shall have any liability under this Indenture as a result of service by its Designee as a Trustee.

2.7 Voting. Only Participants of record shall be entitled to vote. Each whole Share shall be entitled to one vote as to any matter to which it is entitled to vote and each fractional Share shall be entitled to a fractional vote. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. The Trustees shall determine any such challenge and their decision shall be final. The approval of the holders of at least a majority of the outstanding Shares shall be sufficient to approve any action at a meeting or other election of the Participants except as otherwise expressly required under this Indenture.

ARTICLE III - TRUST OPERATIONS

3.1 Powers of the Board of Trustees. Subject to the rights of the Participants as provided herein, the Trustees shall be the investment officer of the Trust and shall have authority over the Trust Property and the affairs of the Trust to administer the operation of the Trust, subject to the requirements, restrictions and provisions of this Indenture, including the power to delegate such functions of administration pursuant to Section 3.16 hereof. The Trustees may do and perform such acts and things as in their judgment and discretion, subject to the requirements and restrictions of this Indenture, as are necessary and proper for conducting the affairs of the Trust or promoting the interest of the Trust and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized

and granted to them by this Indenture. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.

3.2 Permitted Investments. The Trustees shall have the following investment powers:

(a) To conduct, operate and provide an investment program for the pooling of idle funds of a Local Government to invest in the Permitted Investments as may be modified from time to time as provided in this Indenture;

(b) For such consideration as they may deem proper and as may be required by law, to subscribe for, assign, transfer, exchange, distribute and otherwise deal in or dispose of Permitted Investments; and

(c) To contract for, and enter into agreements with respect to, the purchase and sale of Permitted Investments.

3.3 Legal Title.

(a) Legal title to all of the Trust Property shall be vested in the Trustees on behalf of the Participants, who shall be the beneficial owners except that the Trustees shall have full and complete power to cause legal title to any Trust Property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Trust is adequately protected.

(b) The right, title and interest of the Trustees in and to the Trust Property shall vest automatically in all persons who may hereafter become Trustees upon their due selection and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, disqualification pursuant to the terms of this Indenture, or death of a Trustee, he or she (and in the event of his or her death, his or her estate) shall automatically cease to have any right, title or interest in or to any of the Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Trustees without any further act.

3.4 Disposition of Assets. In winding up the affairs of the Trust, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing including giving consents and making contracts relating to Trust Property or its use.

3.5 Taxes. The Trustees shall have full and complete power:

(a) To pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Trust or the Trustees in connection with the Trust Property or upon or against the Trust Property or income or any part thereof;

- (b) To dispute, settle and compromise tax liabilities; and
- (c) For the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

3.6 Rights as Holders of Trust Property. The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other property forming part of the Trust corpus to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

3.7 Delegation: Committees. The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the Trust, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of the Trust Property), in addition to the delegation powers set forth in Section 3.16 hereof, to delegate from time to time to such one or more of their number (who may be designated as constituting a Committee of the Trustees) or to officers, employees or agents of the Trust (including, without limitation, the Administrator, the Adviser and the Custodian) the doing of such acts and things and the execution of such instruments, either in the name of the Trust or the names of the Trustees or as their attorney or attorneys, or otherwise as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust.

3.8 Collection Powers. The Trustees shall have full and complete power:

- (a) To collect, sue for, receive and receipt for all sums of money or other property due to the Trust including, without limitation, the power to file proofs of claim in any bankruptcy or insolvency matter;
- (b) To consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations;
- (c) To engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Trust Property;
- (d) To foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Trust;
- (e) To exercise any power of sale held by the Trustees, and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property;

(f) To be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee or other Person any securities, investments or obligations of any Person which form a part of the Trust Property, for the purpose of such reorganization or otherwise;

(g) To participate in any arrangement for enforcing or protecting the interests of the Trustees as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement;

(h) To extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and

(i) To pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

3.9 Powers: Payment of Expenses. The Trustees shall have full and complete power:

(a) To incur and pay charges or expenses which in the opinion of the Trustees are necessary or incidental to or proper for the carrying out any of the purposes of this Indenture;

(b) To reimburse others for the payment therefor; and

(c) To pay appropriate compensation or fees from the funds of the Trust to Persons with whom the Trust has contracted or transacted business.

The Trustees may pay themselves or any one or more of themselves reimbursement for expenses reasonably incurred by themselves or any one or more of themselves on behalf of the Trust.

Notwithstanding any provision of this Indenture to the contrary, in no event shall any expenses of administration of the Trust be payable from any source other than Trust Property.

3.10 Borrowing and Indebtedness. The Trustees shall not incur indebtedness on behalf of the Trust, or authorize the Trust to borrow money or incur indebtedness, except as expressly provided in Section 5.2(b) hereof.

3.11 Deposits. The Trustees shall have full and complete power to deposit, subject to the provisions of N.C.G.S. Sections 159-31 and 159-32, in such a manner as may now and hereafter be permitted by this Indenture or applicable law, any monies or funds included in the Trust Property and intended to be used for the payment of expenses of the Trust or the Trustees, with one or more banks, trust companies or other banking institutions whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure of the bank, trust company or other banking institution with which the monies, investments, or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all

applicable requirements of all applicable laws including, without limitation, with N.C.G.S. Sections 159-31 and 159-32.

3.12 Valuation. The Trustees shall have full and complete power to conclusively determine in good faith the value of any of the Trust Property and to revalue the Trust Property as the Trustees deem appropriate consistent with the provisions of this Indenture.

3.13 Fiscal Year; Accounts. The Trustees shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. The fiscal year shall be as set forth in the Bylaws.

3.14 Self-Dealing Prohibited.

(a) No Trustee, officer, employee or agent of the Trust shall cause or permit the Trust to make any investment or deposit, enter into any contract or other arrangement, or perform any act which confers or might reasonably be expected to confer any special benefit upon such Person or any Affiliate of such Person.

(b) The Trust shall not enter into any investment transaction with any Affiliate of the Trust, or with the Adviser or the Administrator or any Affiliate thereof, or with any other officer, director, employee or agent of the Trust or any Affiliate thereof. Provided, however, the Trust may deposit moneys and purchase and sell Permitted Investments from and to the Custodian or an Affiliate of the Custodian.

3.15 Investment Program. The Trustees shall use their best efforts to obtain, through the Adviser or other qualified Persons, a continuing and suitable investment program, consistent with the investment policies and objectives of the Trust, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Adviser or such other Persons. Subject to the provisions of this Indenture, the Trustees may delegate functions arising under this Section 3.15 to one or more Trustees or to the Adviser.

3.16 Power to Contract, Appoint, Retain and Employ. Subject to the provisions of this Indenture, the Trustees shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute to perform any or all of the following functions under the supervision of the Trustees:

(a) Serve as the Trust's investment Adviser administrator or co-administrator pursuant to Article IV;

(b) Furnish reports to the Trustees and provide research, economic and statistical data in connection with the Trust's investments;

(c) Act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable;

(d) Investigate, select, and, on behalf of the Trust, conduct or engage others to manage relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contacts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of;

(e) Substitute any other Person possessing the same minimum qualifications for any such Person, such replacement to be made in the same manner as the original selection;

(f) Act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; and

(g) Assist in the performance of such ministerial functions necessary in the management of the Trust as may be agreed upon with Trustees.

3.17 Indemnification. Upon advice of counsel, the Trustees shall have full and complete power, to the extent of Trust property (as provided in Section 6.1) and as permitted by applicable laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the Trust has dealings, to such extent as the Trustees shall determine in accordance with law. The Trust is authorized to purchase insurance to provide such indemnification.

3.18 Remedies. Notwithstanding any provision in this Indenture, when the Trustees deem that there is a significant risk that an obligor to the Trust may default or is in default under the terms of any obligation to the Trust, the Trustees shall have full and complete power to pursue any remedies permitted by law which, in their sole judgment, are in the interests of the Trust, and the Trustees shall have full and complete power to enter into any investment, commitment or obligation of the Trust resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

3.19 Further Powers. The Trustees shall have full and complete power to take all actions, do all such matters and things and execute all such agreements, documents and instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Trust although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Trust made by the Trustees in good faith shall be conclusive. In construing the provisions of this Indenture, the presumption shall be in favor of a grant of power to the Trustees. No provision in this Indenture, however, may be interpreted or construed in a manner which alters or reduces the duties of the Trustees to act as fiduciaries of the Trust. The Trustees shall not be required to obtain any court order to deal with the Trust Property.

ARTICLE IV - INVESTMENT ADVISER AND ADMINISTRATOR

4.1 **Appointment.** The Trustees are responsible for implementing the investment policy and program of the Trust and for supervising the officers, agents, employees, investment advisers, administrators, distributors, and independent contractors of the Trust. The Trustees are not required personally to conduct all of the routine business of the Trust and, consistent with their ultimate responsibility as stated herein, the Trustees may appoint, employ or contract with an Adviser and an Administrator, and may grant or delegate such authority to the Adviser and the Administrator or to any other Person whose services are obtained by the Adviser or the Administrator, as the Trustees may, in their sole discretion, deem to be necessary or desirable for the efficient management of the Trust, without regard to whether such authority is normally granted or delegated by Trustees or other fiduciaries.

4.2 **Duties of the Adviser.** The duties of the Adviser shall be those set forth in an Investment Advisory Agreement to be entered into between the Trust and the Adviser. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement subject to the limitations contained therein. Subject to the terms of this Indenture, the Trustees may authorize the Adviser to effect purchases, sales, or exchanges of Trust Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Adviser, all without further action by the Trustees. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Adviser to employ other Persons to assist it in the performance of its duties. The Investment Advisory Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on no less than sixty (60) days' written notice to the Adviser. Nothing in this Indenture or in the Investment Advisory Agreement shall limit or impair the right of the Trustees to terminate the said Investment Advisory Agreement for cause, or to suspend the authority of the Adviser to act for or on behalf of the Trust immediately upon written notice to the Adviser, upon a showing of reasonable cause to believe that the Adviser has committed a material breach of the Investment Advisory Agreement or any of its fiduciary obligations to the Trust.

4.3 **Duties of the Administrator.** The duties of the Administrator shall be those set forth in an Administration Agreement to be entered into between the Trust and the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other Persons to assist it in the performance of its duties. The Administration Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on no less than sixty (60) days' written notice to the Administrator. Nothing in this Indenture or in the Administration Agreement shall limit or impair the right of the Trustees to terminate the said Administration Agreement for cause, or to suspend the authority of the Administrator to act for or on behalf of the Trust immediately upon written notice to the Administrator, upon a showing of reasonable cause to believe that the Administrator has committed a material breach of the Administration Agreement or any of its fiduciary obligations to the Trust.

4.4 **Successors.** In the event that, at any time, the position of Adviser or of Administrator shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor Adviser or Administrator.

ARTICLE V - INVESTMENTS

5.1 **Statement of Investment Policy and Objective.** Subject to the prohibitions and restrictions contained in Section 5.2 hereof, the general investment policy and objective of the Trustees shall be to provide to the Participants safety of capital, liquidity of funds, and investment income, in that order, by investing in Permitted Investments in accordance with this Indenture and any other applicable provisions of law, as the same may be amended from time to time.

5.2 **Restrictions Fundamental to the Trust.** Notwithstanding anything in this Indenture which may be deemed to authorize the contrary, the Trust:

(a) May not make any investment other than investments authorized by this Indenture, which constitute Permitted Investments and which are consistent with the investment policies and procedures set forth in the Information Statement and which are described therein, as the same shall may be amended from time to time;

(b) May not borrow money or incur indebtedness except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments, and only as and to the extent permitted by law;

(c) May not make loans, provided that the Trust may make Permitted Investments (which may include securities lending); and

(d) May not hold or provide for the custody of any Trust Property in a manner not authorized by law.

5.3 **Amendment of Restrictions.** The restrictions set forth in Section 5.2 hereof are fundamental to the operation and activities of the Trust and may not be changed without the consent of the Participants holding at least a majority of the Shares, except that such restrictions may be changed by the Trustees, without Participant consent, when necessary to conform the investment program and activities of the Trust to the laws of the State of North Carolina and the United States of America as they may from time to time be amended.

ARTICLE VI - LIMITATIONS OF LIABILITY

6.1 **Liability to Third Persons.** No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any Person or Persons other than the Trust in connection with Trust Property or the affairs of the Trust; and no Trustee, officer, employee or agent (including without limitation, the Adviser, the Administrator, and the Custodian) of the Trust shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any Person or Persons other than the Trust in connection with Trust Property or the affairs of the Trust, except that each shall be liable for its, his or her bad faith, willful misconduct, gross negligence or reckless disregard of its, his or her duties or for its, his or her failure to act in

good faith in the reasonable belief that its, his or her action was in the best interests of the Trust, and except that the Adviser and the Administrator shall each have liability for its, his or her failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Indenture. All Persons other than the Trust shall look solely to the Trust Property for satisfaction of claims of any nature arising in connection with the affairs of the Trust. If any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust is made a party to any suit or proceedings to assert or enforce any such liability, it, he or she shall not on account thereof be held to any personal liability. Provided, further, that notwithstanding anything in the foregoing to the contrary, any vendor, Adviser, consultant, administrator, or other third party, employed by or under contract with the Trust, shall be responsible to the Trust and its Participants as intended beneficiaries, to perform in accordance with the standards imposed in a contract with such party, by operation of law.

6.2 Liability to the Trust or to the Participants. No Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the Trust shall be liable to the Trust or to any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust) except for its, his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of its, his or her duties, and except that the Adviser shall have liability for the failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Indenture; *provided, however*, that the provisions of this Section 6.2 shall not limit the liability of any agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust with respect to breaches by it of a contract between it and the Trust.

6.3 Indemnification.

(a) As used in this Section 6.3:

(1) “Trust Representative” means an individual who is or was a Trustee, officer, employee, or agent (including without limitation the Adviser, the Administrator, and the Custodian).

(2) “Liability” means any obligation to pay a judgment, settlement, penalty, fine, or costs and expenses incurred with respect to a Proceeding (including attorneys’ fees and other professional fees).

(3) “Party” includes an individual who was, is, or is threatened to be named a defendant or respondent in a Proceeding.

(4) “Proceeding” means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

(b) Except as provided in subsection (c) hereof, the Trust shall indemnify, defend, protect and hold harmless any Person from and against any and all Liabilities arising out of a Proceeding that such Person is a party to because of such Person's status as a Trust Representative if such Person's conduct was made in good faith, and (i) such Person reasonably believed that such conduct was in the Trust's best interests or, (ii) in the case of a criminal Proceeding, such Person had no reasonable cause to believe such conduct was unlawful.

(c) In no event may the Trust indemnify the Adviser or the Administrator for any Liability arising out of such Person's bad faith, willful misconduct, gross negligence or reckless disregard with respect to the restrictions on investments of the Trust Property. Further, the Trust shall not indemnify any Trust Representative under this Section 6.3 either (i) in connection with a Proceeding by or in the right of the Trust in which the Trust Representative was adjudged liable to the Trust, or (ii) in connection with any Proceeding charging improper personal benefit to such Person, in which such Person was adjudged liable on the basis that such personal benefit was improperly received in connection with a Proceeding by or in the right of the Trust.

(d) Except as provided in subsection (c) of this Section 6.3, the termination of any Proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the Person did not meet the standard of conduct set forth in subsection (b) of this Section 6.3.

(e) No indemnification shall be made unless and until a specific determination has been made that indemnification is authorized under this Section 6.3. Such determination shall be made by the Trustees by a majority vote of a quorum, which quorum shall consist of Trustees not parties to the Proceeding. If such quorum cannot be obtained, the determination shall be made by a majority vote of a committee of Trustees designated by the Trustees, which committee shall consist of two or more Trustees not party to the Proceeding. Trustees who are parties to the Proceeding may participate in designating Trustees for the committee. If the said quorum cannot be obtained or the committee cannot be established, or if such quorum is obtained or committee is designated and such quorum or committee so directs, the determination may be made by independent legal counsel selected by a vote of the Trustees or the committee as specified above. If independent counsel determines that indemnification is required under this Section 6.3, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

(f) The Trust may pay for or reimburse all costs and expenses incurred by a Trust Representative with respect to a Proceeding (including attorneys' fees and other professional fees) in advance of final disposition thereof if (i) the Trust Representative furnishes the Trust a written affirmation of such Person's good faith belief that such Person has met the standard of conduct described in subsection (b) of this Section 6.3 and agreeing to repay the advance if it is ultimately determined that indemnification is not authorized under this Section 6.3, and (ii) it is determined as provided in subsection (e) above that the facts then known would not preclude indemnification under this Section 6.3.

(g) Any indemnification of or advance of expenses to a Trust Representative pursuant to this Section 6.3 shall be reported in writing to the Participants as soon as practicable, if such indemnification of or advance of expenses arises out of a Proceeding by or on behalf of the Trust.

(h) No Trust Representative entitled to indemnification may take or be paid the same except out of the earnings of the Trust, and no Participant shall be personally liable to any such Trust Representative for all or any portion of such indemnity.

6.4 **Surety Bonds.** No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties.

6.5 **Apparent Authority.** No purchaser, seller, transfer agent or other Person dealing with the Trustees or any officer, employee or agent of the Trust shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustees or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

6.6 **Representative Capacity; Recitals.** Any written instrument creating an obligation of the Trust shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the Trust only in his capacity as a Trustee under this Indenture or in his or her capacity as an officer, employee or agent of the Trust. Any written instrument creating an obligation of the Trust shall refer to this Indenture and shall contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, Participants, officers, employees or agents of the Trust, and that only the Trust Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; *provided however*, that the omission of any recital pursuant to this Section 6.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the Trust, or to void any obligations created in the instrument.

6.7 **Reliance on Experts.** Each Trustee, officer and employee of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the Adviser, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the Trust.

6.8 **Insurance.** The Trustees shall obtain general and official liability and property damage insurance, errors and omission insurance and such other insurance as the Trustees may deem advisable for the protection of the Trust Property and the Trustees, Treasurers officers and employees of the Trust in the operation and conduct of the Trust in such amounts as the Trustees deem adequate to ensure against all claims and liabilities of every nature, to the extent such insurance may be available at reasonable rates. The cost of any and all such insurance shall be paid from Trust property as an expense of administration of the Trust.

ARTICLE VII - INTERESTS OF PARTICIPANTS

7.1 **Beneficial Interest.** The interest of the beneficiaries hereunder shall be divided into transferable units to be called Shares, all of one series except as permitted by Section 7.10, without

par value. The number of Shares authorized hereunder is unlimited. Except as otherwise permitted under Section 7.10 hereof, each Share shall represent an equal proportionate interest in the net assets of the applicable series within the Trust. All Shares issued hereunder including, without limitation, Shares issued in connection with a dividend in Shares or a split of Shares, shall be fully paid and nonassessable.

7.2 Title to Trust Property. Title to the Trust Property of every description and the right to conduct any affairs herein described are vested in the Trustees on behalf, and for the beneficial interest, of the Participants, and the Participants shall have no individual interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Trust nor can they be called upon to share or assume any losses of the Trust or suffer an assessment of any kind by virtue of the allocation of Shares to them, except as expressly provided in this Indenture. Provided, further, that this provision shall not be interpreted or construed to modify or limit any of the rights of Participants expressed anywhere else in this Indenture or as provided by law. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Trust or the Trust Property, except as the Trustees may determine.

7.3 Evidence of Investment. Evidence of each Participant's investment shall be reflected in a Share Register maintained by or on behalf of the Trust in accordance with Section 8.1 hereof, and the Trust shall not be required to issue certificates as evidence of Share allocation.

7.4 Redemptions. In case any Participant at any time desires to dispose of its Shares, it may deposit a written request or other such form of request as the Trustees may from time to time authorize, at the office of the Administrator of the transfer agent or at the office of any bank or trust company, either in or outside of North Carolina which is a member of the Federal Reserve System and which the transfer agent has designated by the Trust for that purpose, together with an irrevocable offer in writing in a form acceptable to the Trustees to have the Shares redeemed by the Trust at the net asset value thereof per share, next determined as provided in the Information Statement after such deposit. Payment for redemption shall be made to the Participants within the number of business days specified in the Trust's current Information Statement, unless the date of payment is postponed pursuant to Section 7.5 hereof, in which event payment may be delayed beyond such period.

7.5 Suspension of Redemption; Postponement of Payment. Each Participant, by its adoption of this Indenture, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of redemption or postpone the date of payment for withdrawal of funds from the Trust for the whole or any part of any period;

(a) During which there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of North Carolina or any general suspension of trading or limitation of prices on the New York Stock Exchange or the Nasdaq Stock Market (other than customary week-end and holiday closing); or

(b) During which any emergency situation exists, as a result of which disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses which might be incurred, or it is not reasonably practicable for the Trust fairly to determine the value of its net assets.

Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment to a Participant, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value next determined after the termination of the suspension.

7.6 Redemptions to Reimburse Trust for Loss on Nonpayment for Shares or for Other Charges. The Trustees shall have the power to redeem Shares owned by any Participant to the extent necessary (i) to reimburse the Trust for any loss it has sustained by reason of the failure of such Participant to make full payment for Shares purchased by such Participant, or (ii) to collect any charge relating to a transaction effected for the benefit of such Participant which is applicable to Shares as provided in the Information Statement. Any such redemption shall be effected at the redemption price determined in accordance with Section 7.4. hereof.

7.7 Redemptions Pursuant to Constant Net Asset Value Policy. The following provisions shall apply to any series or portfolio of investments of the Trust during any period that the Trustees, in their discretion, establish a policy of maintaining a constant net asset value per Share. If for any reason the net income of the Trust attributable to such Shares invested in the same portfolio shall, at the time of any determination thereof in accordance with the provisions set forth in the Information Statement be a negative amount, then the Trustees shall have power to cause the number of outstanding Shares of such series or portfolio to be reduced by requiring each Participant to contribute to the capital of the Trust such Participant's proportionate part of the total number of Shares which have an aggregate current net asset value equal as nearly as may be practicable to the amount of the Trust's net loss in respect of such series or portfolio. Each Participant, by becoming a registered holder of Shares, agrees to make any such contribution which may be required.

7.8 Redemptions in Kind. Payment for Shares redeemed pursuant to Section 7.4. may, at the option of the Trustees, or such officer or officers as they may duly authorize for the purpose, in their complete discretion be made in cash, or in kind, or partially in cash and partially in kind. In case of payment in kind, the Trustees, or their delegate, shall have absolute discretion as to what security or securities shall be distributed in kind and the amount of the same, and the securities shall be valued for purposes of distribution at the figure at which they were appraised in computing the net asset value of the Shares.

7.9 Defective Redemption Requests. In the event that a Participant shall submit a request for the redemption of a greater amount than is then allocated to such Participant, such request shall not be honored and, each Participant, by its adoption of this Indenture, agrees that the Trustees shall have full and complete power to redeem no more than the proportionate amount allocated to such Participant, at a redemption price determined in accordance with Section 7.4 hereof, sufficient to reimburse the Trust for any fees, expenses, costs or penalties actually incurred by the Trust as a result of such defective redemption request.

7.10 Series or Class Designations. The Trustees, in their discretion, may authorize the division of Shares into two or more series, and within a series into two or more classes, and the different series or classes shall be established and designated, and the variations in the relative rights and preferences as between the different series or classes within a series shall be fixed and determined by the Trustees; provided that, all Shares shall be identical except there may be variations so fixed and determined between different series or classes within a series as to purchase price, right of redemption and the price, terms and manner of redemption, special and relative rights as to distributions on liquidation, conversion rights, and conditions under which the several series or classes shall have separate voting rights and separate investment restrictions.

ARTICLE VIII - RECORD OF SHARES

8.1 Share Register. The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (i) the names and addresses of the Participants (including both a post office address for regular United States mail and a valid electronic mail address), (ii) the number of Shares representing their respective beneficial interests hereunder, and (iii) a record of all allocations and redemptions thereof. Such Share Register shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares are recorded on such Share Register shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Trust who shall keep the Share Register for entry thereon.

8.2 Registrar. The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees the Share Register shall be kept by the Administrator which shall serve as the registrar for the Trust. The registrar shall record the original allocations of Shares in the Share Register. Such registrar shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation, except as such duties may be modified by the Trustees.

8.3 Owner of Record. No Person becoming entitled to any Shares in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of law, shall be recorded as the Participant to which such Shares are allocated and shall only be entitled to the redemption value of such Shares. Until the Person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the

Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the Trust shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

8.4 No Transfers of Shares. The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to a Local Government, or the Trust itself for purposes of redemption. Any attempted transfer to any other Person shall be void and of no effect.

8.5 Limitation of Fiduciary Responsibility. The receipt of the Participant in whose name any Share is recorded or of any party or agent in whose name any Share is recorded for the benefit of the Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

8.6 Notices. Any and all notices to which Participants are hereunder entitled and any and all communications shall be deemed duly served or given if (a) mailed, postage prepaid, addressed to Participants of record at their last known post office addresses, or (b) sent by electronic mail addressed to the Participants of record at their last known electronic mail address, in each case as recorded in the Share Register provided for in Section 8.1 hereof. Copies of such notices shall be provided to the Participant's Designee.

ARTICLE IX – RECORDS AND REPORTS

9.1 Inspection of Records. The records of the Trust shall be open to inspection by any Participant at all reasonable business hours. The Trustees shall use their best efforts to communicate administrative and investment decisions to Participants through a website to be established by the Trust.

9.2 Reports. The Trustees shall cause to be prepared at least annually: (i) a report or statements of financial operations of the Trust; (ii) an opinion of an independent certified public accountant on such report or financial statements based on an examination of the books and records of the Trust; and (iii) such other information as may be required by N.C.G.S. or by rules and regulations promulgated thereunder. A signed copy of such report and opinion shall be filed with the Trustees within one hundred twenty (120) days after the close of the period covered thereby. The Trustees shall cause copies of the annual report to be delivered to the Participants of record within one hundred twenty (120) days after the close of the period covered thereby. In addition, the Trustees shall furnish to the Participants at least quarterly an interim report containing such information as may be required by statute or regulation.

ARTICLE X - TRUSTEES AND OFFICERS

10.1 Number, Qualification and Succession of Trustees.

(a) The governing body of the Trust shall be the Board of Trustees, the membership of which shall be determined as herein provided and as provided in the Bylaws.

(b) The number of Trustees shall be fixed from time to time by resolution of the Trustees; provided that, the number of Trustees shall be at no time less than three (3) or more than

seven (7). No reduction in the number of Trustees shall have the effect of removing any Trustee from office prior to the expiration of his or her term.

(c) The Trustees may be comprised of designees of the Participants (“Designees”) and non-designees. Any Trustee who at the time of election or appointment is not a designee of a Participant is referred to herein as a “Non-Designee.” The Trustees shall have the discretion to qualify Non-Designees based upon their professional experience and expected benefit to serving the interests of the Participants. A majority of the Trustees must be Designees. Designees from Participants must have representation from at least one (1) County and one (1) Municipal government. The number and qualifications of Non-Designee Trustees shall be as provided in the Bylaws. If a Designee of a Participant serves as a Trustee, and ceases to be a Designee, such person shall no longer be qualified to serve as a Trustee, and shall not, by virtue of ceasing to qualify as a Designee, be deemed to be a Non-Designee Trustee. The Trustees shall be natural persons.

(d) Trustees shall be elected or appointed as provided in Section 10.4 hereof. No such election or appointment shall become effective, however, until the elected or appointed person qualifies for such office by delivering to the President of the Board of Trustees a writing signed by him or her (i) accepting such election or appointment, and (ii) agreeing to be bound by the terms of this Indenture. Qualification must be completed within twenty (20) days after such person is notified of his or her appointment or election, and failure to meet this requirement shall void the appointment or election.

(e) Whenever a vacancy in the number of Trustees shall occur until such vacancy is filled, the Trustees or Trustee continuing in office, regardless of their number, shall have all the powers granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Indenture.

(f) Upon the appointment or election and qualification of any person to the office of Trustee, the Trust Property shall vest in such new Trustee without necessity of any further act or conveyance.

10.2 Signatory Local Government Units and Trustees. In accordance with Section 10.1(b), by the execution of this Indenture, the Signatory Local Government Units appoint the following persons as initial Trustees (the “Initial Trustees”) for a Term of five (5) years: [Emily Lucas], and [Don Warn].

The Initial Trustees shall have all the powers of Trustees provided herein and shall have the power to appoint up to five (5) additional Trustees, to serve until the Board of Trustees has been elected in accordance with Section 10.4 hereof.

10.3 Vacancies.

(a) A Trustee’s office shall be deemed vacant upon the occurrence of any one of the following events:

(i) If a person who was duly appointed or elected fails, neglects or refuses to qualify for office within twenty (20) days after the date he or she is notified of such appointment or election;

(ii) If a person who was duly appointed submits a written resignation to the Board of Trustees;

(iii) If a person who was duly appointed becomes disabled or dies during his or her term of office, or for whom a guardian or conservator has been appointed;

(iv) If a person who was duly appointed ceases to meet the requirements for the office of Trustee, as provided herein and in the Bylaws;

(v) If a person who was duly appointed is convicted of a felony or is or becomes the subject of an Order for Relief entered pursuant to the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*);

(vi) If a court of competent jurisdiction voids the appointment or removes a person duly appointed for any cause whatsoever, but only after his or her right to appeal has been waived or otherwise exhausted; or

(vii) If the person who was duly appointed is removed from office pursuant to Section 10.5 hereof.

(b) No vacancy in the office of any Trustee shall operate to annul this Indenture or to revoke any existing agency created pursuant to the terms of this Indenture, and title to any Trust Property held in the name of such Trustee and the other Trustees or otherwise, shall, in the event of a vacancy in the office of such Trustee, vest in the continuing or surviving Trustees without necessity of any further act or conveyance. In the case of a vacancy, the majority of the Board of Trustees continuing in office acting by resolution, may fill such vacancy.

10.4 Elections and Appointments; Term of Office.

(a) Trustees are appointed or elected for overlapping terms of three years by a vote of the Participants holding at least a majority of the outstanding Shares present and entitled to vote at an annual meeting or voting in an annual vote of Participant, herein called an "Annual Election." At any time the Board changes the number of Trustees it shall by the same action specify the number of three-year terms to be filled at the next Annual Election, but shall maintain as nearly equal as possible the number of three-year terms to be filled at each subsequent Annual Election. Trustees may succeed themselves in office. Candidates shall be nominated as provided in the Bylaws. The candidate(s) with the highest number of votes will be elected. The Board of Trustees shall, at the next meeting following the election, review the election returns and declare the appropriate candidate(s) elected.

(b) A Trustee remains in office until a vacancy occurs in his or her office as provided in Section 10.3 hereof, or until his or her successor is duly appointed and qualifies for office.

10.5 Resignation and Removal.

(a) Any Trustee may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him or her and delivered to the President and such

resignation shall be effective upon such delivery or at a later date according to the terms of the notice.

(b) Any Trustee may be removed with or without cause by action of two-thirds of the other Trustees.

(c) Upon ceasing to be a Trustee, such person shall execute and deliver such documents as the remaining Trustees shall require for the purpose of conveying to the Trust or the remaining Trustees any Trust Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees shall require as provided in the preceding sentence.

10.6 Officers and Advisers. The Trustees shall annually designate a President who shall be the Chief Executive Officer of the Trust and a Vice President, who shall have such duties as the Trustees shall deem advisable and appropriate. The Trustees may elect or appoint, from among their number or otherwise, a Treasurer and a Secretary, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. The Trustees may elect or appoint, from among their number or otherwise, or may authorize the President to appoint, one or more Assistant Secretaries and Assistant Treasurers, and such other officers or agents, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. Two or more offices, except those of President and Vice President, may be held by the same person.

10.7 Bylaws; Quorum of Trustees.

(a) The Trustees may adopt and, from time to time, amend or repeal Bylaws for the conduct of the business of the Trust, and in such Bylaws, among other things, may define the duties of the respective officers, agents, employees and representatives of the Trust. Notwithstanding the foregoing, absent adoption of Bylaws addressing the same, the Trustees may define the duties of the respective officers, agents, employees and representatives of the Trust, and such other matters regarding administration of the Trust not specifically addressed in this Indenture, by resolution of the Board of Trustees.

(b) A quorum for the purposes of any meeting or vote of the Trustees shall consist of a majority of the Trustees entitled to vote at a meeting of the Board of Trustees.

ARTICLE XI - DETERMINATION OF NET ASSET VALUE AND NET INCOME: DISTRIBUTIONS TO PARTICIPANTS

11.1 Net Asset Value. The net asset value of each allocated Share of the Trust shall be determined by the method and frequency established by the Trustees and shall be set forth in an Information Statement as the same may be amended from time to time. The duty to make the calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other person as the Trustees by resolution may designate.

11.2 Retained Reserves. The Trustees may retain from the earnings of the Trust such amount as they may deem necessary to pay the debts and expenses of the Trust and to

meet other obligations of the Trust, and the Trustees shall also have the power to establish such reasonable reserves from earnings as they believe may be required to protect the Trust and the Participants against contingent liabilities.

ARTICLE XII – CUSTODIAN

12.1 **Duties.** The Trustees shall employ a bank, savings and loan association or trust company in the State of North Carolina or otherwise in accordance with N.C.G.S. Section 159-31 as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in this Indenture, the Bylaws of the Trust or otherwise determined by resolution of the Board of Trustees, to perform the duties set forth in the Custodian Agreement to be entered into between the Trust and the Custodian.

12.2 **Appointment.** The Trustees shall have the power to select and appoint the Custodian for the Trust. The Custodian Agreement may be terminated at any time without cause and without the payment of any penalty by the Trust on not less than sixty (60) days' written notice to the Custodian.

12.3 **Disbursement and Collection Agent.** The Trustees may also authorize the employment of a Disbursement and Collection Agent from time to time to perform acts and services upon such terms and conditions, as may be agreed upon between the Custodian and said agent and approved by the Trustees; *provided, however*, that, in every case, such Disbursement and Collection Agent shall be a bank, savings and loan association or trust company duly organized in the State of North Carolina or otherwise in accordance with N.C.G.S. Section 159-31.

12.4 **Successors.** In the event that at any time the Custodian or the Disbursement and Collection Agent shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement or disbursement and Collection Agreement, the Trustees shall appoint a successor thereto.

ARTICLE XIII - RECORDING OF INDENTURE

13.1 **Recording.** This Indenture and any amendments hereto shall be filed, registered, recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by law or as the Trustees may deem appropriate. An amended Indenture, containing or restating the original Indenture and all amendments theretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Indenture and the various amendments thereto.

ARTICLE XIV - AMENDMENTS TO INDENTURE AND PERMITTED INVESTMENTS LIST; TERMINATION OF TRUST; DURATION OF TRUST

14.1 **Amendment to Indenture or Permitted Investments List; Termination.**

(a) The provisions of this Indenture may be amended or altered, or the Trust may be terminated, by a vote of the Participants pursuant to Section 2.7 hereof. The Trustees may, from time to time by a two-thirds vote of the Trustees, and after 45 days prior written notice to the Participants, amend or alter the provisions of the Indenture, without the vote or assent of the Participants, which the Trustees, in good faith deem necessary or convenient for the administration and operation of the Trust, to establish and designate additional series or portfolios pursuant to Section 7.10 hereof, or to the extent deemed by the Trustees in good faith to be necessary to conform this Indenture to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Trustees shall not be liable for failing so to do. Notwithstanding the foregoing, no amendment may be made pursuant to this Section which would:

(i) change any rights with respect to any allocated Shares of the Trust by reducing the amount payable thereon upon liquidation of the series or portfolio or which would diminish or eliminate any voting rights of the Participants, except with the vote or written consent of Participants holding at least two-thirds of the Participants Shares entitled to vote thereon;

(ii) Cause any of the investment restrictions contained herein to be less restrictive except with the vote or written consent of Participants holding at least a majority of the Participants Shares entitled to vote thereon;

(iii) Change the limitations on personal liability of the Participants and Trustees except with the vote or written consent of Participants holding at least two-thirds of the Shares entitled to vote thereon; or

(iv) Change the prohibition of assessments upon Participants except with the vote or written consent of Participants holding at least two-thirds of the Shares entitled to vote thereon.

A certification signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees or a copy of the Indenture, as amended, executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

(b) The Trust may be terminated by the vote of the majority of authorized Trustees, subject to the vote or written consent of Participants holding at least a majority of the Shares. Upon the termination of the Trust pursuant to this Section 14.1(b), (i) the Trust shall carry on no business except for the purpose of winding up its affairs, (ii) the Trustees shall proceed to wind up the affairs of the Trust and all of the powers of the Trustees under this Indenture shall continue until the affairs of the Trust shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more Persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its affairs, provided, however, that any sale, conveyance, assignment, exchange, transfer, or other disposition of all or substantially all of the Trust Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Trustees entitled to vote thereon, and (iii) after paying or

adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(c) Upon termination of the Trust and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be cancelled and discharged.

(d) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Trustees as aforesaid or a copy of the Indenture, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

14.2 Duration. The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Article XIV.

14.3 Distribution upon Termination. Upon the termination of the Trust, the Trustees shall, after paying or making provision for the payment of all of the liabilities of the Trust, dispose of all of the assets of the Trust exclusively for the purposes of the Trust, in such manner, or to such organization(s) organized and operated exclusively for charitable or educational purposes as shall at the time qualify as an exempt organization(s) under Section 501(c)(3) of the Code, or the corresponding provisions of any subsequent federal tax laws, as the Trustees shall determine. Any such assets not so disposed of shall be disposed of by the court of general jurisdiction in the county in which the principal office of the Trust is then located, exclusively for such purposes or to such organization or organizations as such court shall determine.

ARTICLE XV – MISCELLANEOUS

15.1 Governing Law. This Indenture is executed by the Signatory Local Government Units and delivered in the State of North Carolina and with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of North Carolina (without regard to its conflicts of law rules). Venue for any dispute, breach or other legal action relating to the interpretation or implementation of this Indenture shall lie in a court of competent jurisdiction in the State of North Carolina.

15.2 Counterparts. This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

15.3 Reliance by Third Parties. Any certificate executed by an individual who according to the then current records of the Trust appears to be a Trustee, the Secretary or the Treasurer of the Trust, certifying to (a) the number or identity of Trustees or Participants, (b) the due authorization of the execution of any instrument or writing, (c) the results of

any vote of Trustees or Participants, (d) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Indenture, or the form of any Bylaws adopted by, or the identity of any officers or any facts which in any manner relate to the affairs of the Trust, shall be conclusive evidence as to the matters so certified in favor of any Person dealing with the Trustees or any of them or the Trust and the successors of such Person

15.4 Provisions in Conflict with Law. The provisions of this Indenture are severable, and if the Trustees shall determine with the advice of counsel that any one or more of such provisions are in conflict with applicable federal or North Carolina laws, those conflicting provisions shall be deemed never to have constituted a part of this Indenture, *provided, however*, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Indenture or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

15.5 Section Headings. Any headings preceding the text of the several Articles and Sections of the Indenture and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Indenture nor affect its meaning, construction or effect.

15.6 Acceptance by Local Government Unit; Resignation and Withdrawal of Participants.

(a) Any Local Government Unit meeting the requirements hereof may become a Participant of this Trust by completing the application or any other documents that the Trustees may require, and by accepting the terms of this Indenture by means of a written instrument, in such form as may be prescribed by the Trustees. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of acceptance contemplated by this Section.

(b) Any Participant may resign and withdraw from the Trust by sending a written notice to such effect to the President of the Trust and the Administrator and by requesting the redemption of all Shares then held by it or in accordance with any other procedure authorized by the Board of Trustees. Such resignation and withdrawal shall become effective upon the receipt thereof by the President of the Trust and the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Indenture or terminate the existence of the Trust.

[Signature appears on next page]

IN WITNESS WHEREOF, by a two-thirds vote of the Trustees, and after 45 days prior written notice to the Participants, the undersigned Chair of the Board of Trustees of the Trust has executed this Amended and Restated Indenture of Trust and as reflected by the execution of the addenda, which are attached to this Indenture. By the execution of the addenda, the Board of Trustees, the respective Trustees and Signatory Local Government Units are intending to adopt and be bound by the terms of this Amended and Restated Indenture of Trust.

By: _____

Name: Emily Lucas

Title: Chair of the Board of Trustees, North Carolina Investment Pool

Addendum 1 – Chair of the Board of Trustees, North Carolina Investment Pool

IN WITNESS WHEREOF, the undersigned Trustee has caused this Amended and Restated Indenture of Trust to be executed as of the date first herein above set forth.

By: _____

Name: Emily Lucas

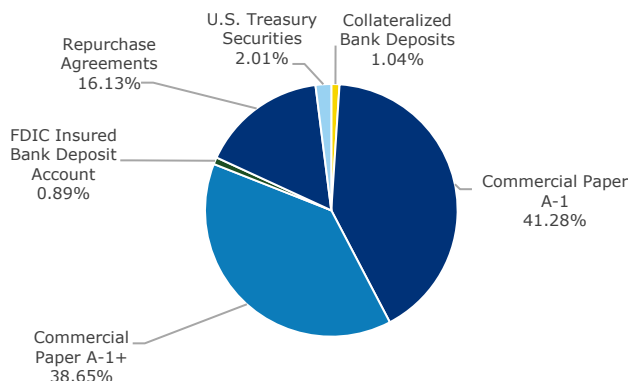
Title: Chair of the Board of Trustees, North Carolina Investment Pool

Get to Know North Carolina CLASS

Holistic cash management designed with you in mind

North Carolina CLASS is a local government investment pool that allows units of local governments, such as yours, to pool funds together to collectively earn dividends on investments. Our goal is, and has always been, to provide competitive yields while adhering to all objectives of safety and liquidity. North Carolina CLASS carries a 'AAAm' rating from S&P Global Ratings.

Portfolio Allocation



The North Carolina CLASS portfolio investment strategy prioritizes minimizing market risk and enhancing safety via diversified investments. Funds of the Participants are invested in prime or high grade, short-term fixed income instruments as illustrated to the left.

North Carolina CLASS Board of Trustees

Drew Holland, Chairperson
Finance Director
Town of Hope Mills

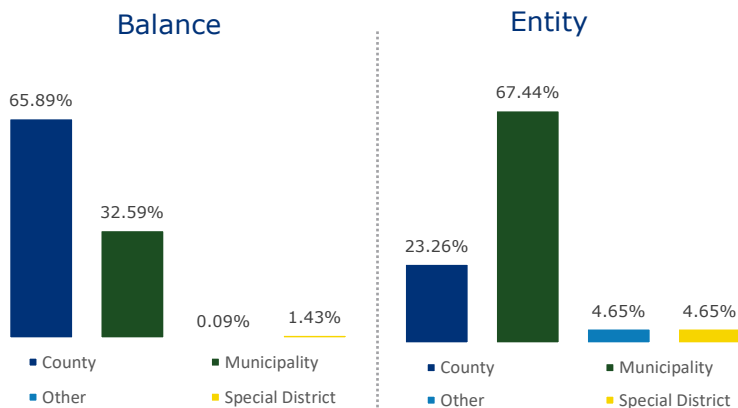
Deanna Rios, Vice Chairperson
Finance Director
Lincoln County

Kimberly Ostrom, Treasurer / Secretary
Director of Finance
City of New Bern

Melissa Moore
Finance Director
Buncombe County

Rodney Miller
CFO/Deputy City Manager
City of Hickory

Participant Breakdown by Type



North Carolina CLASS welcomes all local governments without favor to one type. The Board membership represents the diversity of such local governments and works to maintain a product that services the needs of all North Carolina local governments.

Contact us to get started!
www.ncclass.com



Daniel Klus
Senior Director, Investment Services
dan.klus@ncclass.com
(984) 278-5006



Justin Wycoff
Director, Investment Services
justin.wycoff@ncclass.com
(704) 699-0569

Data as of 12/31/2024. Data unaudited. Charts and/or values presented may not add up precisely to absolute figures due to rounding. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. North Carolina CLASS is not a bank. An investment in North Carolina CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the North Carolina CLASS stable NAV fund(s) seek to preserve the value of your investment at \$1.00 per share, this is not guaranteed. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit www.spglobal.com. Ratings are subject to change and do not remove credit risk. Please review the applicable Information Statement(s) before investing. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Public Trust Advisors, LLC, a registered investment advisor with the U.S. Securities and Exchange Commission, provides investment advisory services to the Fund. PMA Securities, LLC, an affiliate of Public Trust Advisors, is a broker-dealer and municipal advisor registered with the SEC and MSRB and is a member of FINRA and SIPC and provides marketing, and securities and other institutional brokerage services.

FIRST AMENDMENT TO INDENTURE OF TRUST

(Dated and Effective as of December 5, 2024)

Relating to:

**North Carolina Cooperative Liquid Assets Securities System
(North Carolina CLASS)**

Indenture of Trust

(Dated and Effective as of March 1, 2023)

TABLE OF CONTENTS

	Page
AGREEMENTS.....	2
Section 1.01 Definitions	2
Section 1.02 Effective Date	2
Section 1.03 Amendments to Original Indenture	2
Section 1.04 Purpose; Participant Requirements	2
Section 1.05 No Other Amendments	3
Section 1.06 Ratification of Original Indenture.....	3
Section 1.07 Electronic Signatures	3
Section 1.08 Effect of Partial Invalidity	3
Section 1.09 Governing Law	3
Section 1.10 Headings	3
Section 1.11 Counterparts.....	3

A NORTH CAROLINA STATUTORY TRUST
FIRST AMENDMENT TO INDENTURE OF TRUST

WITNESSETH:

WHEREAS, the provisions of Section 159-30(c)(10) of Article 3 of Chapter 159 of the General Statutes of North Carolina, as amended and as may be further amended from time to time ("N.C.G.S.") entitled "The Local Government Budget and Fiscal Control Act" (the "Act") authorize any local government or public authority of the State of North Carolina (as each such term is defined in the Act) (a "Local Government Unit") to invest moneys in a commingled investment pool established by interlocal agreement pursuant to N.C.G.S. Chapter 160A, Article 20 (an "Investment Pool") if the investments of the Investment Pool are limited to those qualifying for investment under N.C.G.S. Section 159-30 governing the investment of monies of a Local Government Unit ("Permitted Investments");

WHEREAS, the Town of Hope Mills, North Carolina, Lincoln County, North Carolina, the City of New Bern, North Carolina, the City of Rocky Mount, North Carolina and Gaston County, North Carolina (collectively, the "Signatory Local Government Units") entered into an Indenture of Trust dated as of March 1, 2023 (the "Original Indenture") to create an investment pool, known as the North Carolina Cooperative Liquid Assets Securities System as a statutory trust created by interlocal agreement (the "Trust"), solely for North Carolina Local Government Units;

WHEREAS, the intent and purpose of the Original Indenture was to provide for the investment and deposit of pooled funds by the Signatory Local Government Units only in Permitted Investments;

WHEREAS, each of the Signatory Local Government Units determined that establishment of and participation in the Trust served a governmental purpose for such Signatory Local Government Unit, including, but not limited to, providing for the investment and deposit of their idle funds subject to the limitations of the Act, and by entering into the Interlocal Agreement, the Signatory Local Government Units were able to take advantage of pooling their investments with other Local Government Units to increase the investments available to the Trust and to lower costs associated with the investment of their funds;

WHEREAS, the Signatory Local Government Units entered into an Interlocal Agreement dated March 1, 2023 (as previously amended, the "Original Interlocal Agreement") pursuant to N.C.G.S. Chapter 160A, Article 20 in which the Signatory Local Government Units agreed to create the Trust as an investment pool pursuant to the Original Indenture, which action serves a governmental purpose for such Local Government Units;

WHEREAS, the Signatory Local Government Units anticipated that other Local Government Units may wish to become Participants in the Trust;

WHEREAS, the Parties to the Original Interlocal Agreement have determined to amend the Original Interlocal Agreement to simplify the process by which other Local Government Units become a Participant in the Trust;

WHEREAS, the Board has determined to amend the Original Indenture to make the provisions of the Original Indenture consistent with the revisions to the Original Interlocal Agreement, as amended;

WHEREAS, pursuant to Section 14.1 of the Original Indenture, the Board deems the amendments herein to the Original Indenture necessary and convenient for the administration and operation of the Trust and caused notice regarding such amendments and this First Amendment to Indenture of Trust (this "First Amendment") to be provided to the Participants of the Trust;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties hereto agree as follows:

AGREEMENTS

Section 1.01 Definitions. Unless the context otherwise requires, capitalized terms used and not defined in this First Amendment shall have the meanings given such terms in the Original Indenture, as amended hereby.

Section 1.02 Effective Date. The amendments set forth in Section 103 shall become effective on December 5, 2024 (the "Effective Date").

Section 1.03 Amendments to Original Indenture. On the Effective Date, pursuant to Section 14.1 thereof, the Original Indenture is amended as follows:

(a) All references to the "Interlocal Agreement" shall mean the Interlocal Agreement dated March 1, 2023, executed and delivered pursuant to § 160A-460 through 160A-464 of the General Statutes of North Carolina, as amended, as amended by a First Amendment to Interlocal Agreement dated June 1, 2023, a Section Amendment to Interlocal Agreement dated December 5, 2024 and as further supplemented and amended from time to time.

(b) Section 1.2 of the Original Indenture is hereby amended and restated to read as follows:

Section 1.04 Purpose; Participant Requirements.

(a) The purpose of the Trust is to provide a commingled investment pool established by interlocal agreement in accordance with North Carolina law permitting Local Government Units to pool idle funds in order to invest such funds and earn interest in accordance with, and as permitted by, the provisions of the N.C.G.S. Section 159-30 governing the investment of monies of a Local Government Unit.

(b) Only those Local Government Units that have taken all action required by the Interlocal Agreement and have complied with the provisions hereof are Participants.

(c) Each Local Government Unit taking all official action necessary to become a Participant in the Trust, and otherwise complying with the provisions hereof, shall become a Participant upon depositing into the Trust the minimum total investment as that amount is established, from time to time, by the Board.

(d) The term "Participants" in the Section 1.6 of the Original Indenture is hereby amended and restated to read as follows:

"Participants" shall mean the Local Government Units that are the Signatory Local Government Units as of the date this Indenture and any other Local Government Unit that becomes a participant in the Trust by compliance with the provisions of the Interlocal Agreement.

Section 1.05 No Other Amendments. Except as expressly amended hereby, the terms of the Original Indenture shall remain in full force and effect in all respects.

Section 1.06 Ratification of Original Indenture. As amended hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture as amended hereby shall be read, taken and construed as a single instrument.

Section 1.07 Electronic Signatures. The parties agree that the electronic signature of a party to this Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The parties agree that any electronically signed document (including this Indenture) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 1.08 Effect of Partial Invalidity. In case any one or more of the provisions of this First Amendment shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this First Amendment, but this First Amendment 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 First Amendment 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 Authority to the full extent permitted by law.

Section 1.09 Governing Law. This First Amendment shall be governed by and interpreted in accordance with the laws of the State of North Carolina. All references to particular statutes shall mean as amended or replaced from time to time.

Section 1.10 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 the Original Indenture, nor shall they affect its meaning, construction or effect.

Section 1.11 Counterparts. This First Amendment may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

[Remainder of Page Intentionally Left Blank]

**North Carolina Cooperative Liquid Assets Securities System
(North Carolina CLASS)**

Indenture of Trust

(Dated and Effective as of March 1, 2023)

TABLE OF CONTENTS

	Page
ARTICLE I THE TRUST	2
1.1 Name.....	2
1.2 Purpose; Participant Requirements	2
1.3 Contributions	2
1.4 Location	2
1.5 Nature of Trust.....	3
1.6 Definitions	3
ARTICLE II THE PARTICIPANTS	5
2.1 General Powers	5
2.2 Exercise of Participants' Rights	5
2.3 Voting	5
2.4 Participant Right to Require a Vote of the Board	5
2.5 Inspection of Records	6
2.6 Meetings of the Participants.....	6
2.7 Notice to Participants.....	6
2.8 Proxies	6
2.9 Record Date of Meetings and Votes	7
2.10 Number of Votes.....	7
ARTICLE III THE BOARD OF TRUSTEES	7
3.1 General Powers	7
3.2 Annual Report.....	8
3.3 Other Reports	8
3.4 Legal Title.....	8
3.5 Execution of Documents.....	8
3.6 Delegation; Committees, Bylaws; Policies; Procedures	8
3.7 Fiscal Year; Accounts	9
3.8 Payment of Expenses	9
3.9 Payment of Taxes.....	9
3.10 Insurance	9
3.11 Power to Contract, Appoint, Retain, and Employ.....	10
3.12 Seal	10
3.13 Information Statements.....	10
3.14 Trustees; Signatory Public Agencies and Participants.....	11
3.15 Further Powers	11
ARTICLE IV ADMINISTRATOR.....	11
4.1 Appointment	11
4.2 Duties of the Administrator	11
4.3 Termination.....	11
4.4 Successors	11
ARTICLE V CUSTODIAN.....	12
5.1 Appointment	12
5.2 Duties of the Custodian.....	12
5.3 Termination.....	12
5.4 Successors	12
ARTICLE VI INVESTMENT ADVISOR.....	12

TABLE OF CONTENTS

(continued)

	Page
6.1 Appointment	12
6.2 Duties of the Investment Advisor	12
6.3 Termination.....	12
6.4 Funds.....	12
6.5 Individualized Subaccounts	13
6.6 Successors	13
ARTICLE VII INVESTMENTS	13
7.1 Statement of Investment Objective.....	13
7.2 Restrictions Fundamental to the Trust	13
7.3 Permitted Investments.....	14
7.4 Disposition of Assets	14
7.5 Collection.....	14
7.6 Deposits	15
7.7 Valuation.....	15
7.8 Amendment of Restrictions	15
ARTICLE VIII LIMITATIONS OF LIABILITY	15
8.1 Liability to the Trust or to the Participants	15
8.2 Indemnification	16
8.3 Surety Bonds.....	16
8.4 Recitals	16
8.5 Reliance on Experts	16
ARTICLE IX INTERESTS OF PARTICIPANTS.....	17
9.1 General.....	17
9.2 Allocation of Shares.....	17
9.3 Evidence of Share Allocation	17
9.4 Redemption to Maintain Constant Net Asset Value for Constant Net Asset Value Funds.....	17
9.5 Redemptions	18
9.6 Suspension of Redemption; Postponement of Payment	18
9.7 Minimum Redemption	18
9.8 Defective Redemption Requests	18
ARTICLE X RECORD OF SHARES	19
10.1 Share Records	19
10.2 Maintenance of Records	19
10.3 Owner of Record.....	19
10.4 No Transfer of Shares	19
10.5 Limitation of Responsibility	19
10.6 Notices	19
ARTICLE XI TRUSTEES AND OFFICERS.....	20
11.1 Number and Qualification.....	20
11.2 Term.....	20
11.3 Resignation and Removal	20
11.4 Officers	20
11.5 Meetings.....	20

TABLE OF CONTENTS

(continued)

	Page
ARTICLE XII DETERMINATION OF NET ASSET VALUE AND NET INCOME	20
12.1 Net Asset Value	20
12.2 Constant Net Asset Value; Reduction of Allocated Shares	20
12.3 Retained Reserves.....	21
ARTICLE XIII RECORDING OF INDENTURE.....	21
13.1 Recording.....	21
ARTICLE XIV AMENDMENTS TO INDENTURE AND PERMITTED INVESTMENTS LIST; TERMINATION OF TRUST; DURATION OF TRUST	21
14.1 Amendment to Indenture or Permitted Investments List; Termination	21
14.2 Distribution upon Termination	22
14.3 Duration	22
ARTICLE XV MISCELLANEOUS.....	23
15.1 Governing Law; Venue.....	23
15.2 Electronic Signatures	23
15.3 Section Headings	23
15.4 Counterparts.....	23
15.5 Reliance by Third Parties.....	23
15.6 Provisions in Conflict with Law	24
15.7 Adoption by Local Government Units; Written Investment Policies of Participants; Resignation and Withdrawal of Participants.....	24

**A NORTH CAROLINA STATUTORY TRUST
INDENTURE OF TRUST**

WITNESSETH:

WHEREAS, the provisions of Section 159-30(c)(10) of Article 3 of Chapter 159 of the General Statutes of North Carolina, as amended and as may be further amended from time to time ("N.C.G.S.") entitled "The Local Government Budget and Fiscal Control Act" (the "Act") authorize any local government or public authority of the State of North Carolina (as each such term is defined in the Act) (a "Local Government Unit") to invest moneys in a commingled investment pool established by interlocal agreement pursuant to N.C.G.S. Chapter 160A, Article 20 (an "Investment Pool") if the investments of the Investment Pool are limited to those qualifying for investment under N.C.G.S. Section 159-30 governing the investment of monies of a Local Government Unit ("Permitted Investments");

WHEREAS, it is the intent of the Local Government Units that are a signatory hereto (the "Signatory Local Government Units") to create an investment pool, known as the North Carolina Cooperative Liquid Assets Securities System as a statutory trust created by interlocal agreement (the "Trust"), solely for North Carolina Local Government Units, and that this Indenture of Trust (the "Indenture") shall serve as the agreement for such purpose;

WHEREAS, it is the intent and purpose of this Indenture to provide for the investment and deposit of pooled funds by the Signatory Local Government Units only in Permitted Investments;

WHEREAS, each of the Signatory Local Government Units has determined that establishment of and participation in the Trust serves a governmental purpose for such Signatory Local Government Unit, including, but not limited to, providing for the investment and deposit of their idle funds subject to the limitations of the Act, and by entering into the Interlocal Agreement, the Signatory Local Government Units are able to take advantage of pooling their investments with other Local Government Units to increase the investments available to the Trust and to lower costs associated with the investment of their funds;

WHEREAS, under the authority of resolutions duly adopted by their respective governing bodies, the Signatory Local Government Units have entered into an Interlocal Agreement dated March 1, 2023 (the "Interlocal Agreement") pursuant to N.C.G.S. Chapter 160A, Article 20 in which the Signatory Local Government Units have agreed to create the Trust as an investment pool pursuant to this Indenture, which action serves a governmental purpose for such Local Government Units;

WHEREAS, each of the Signatory Local Government Units has undertaken all official action necessary and appropriate to become a party to the Interlocal Agreement and this Indenture for the purpose of establishing and participating in the Trust;

WHEREAS, the beneficial interests in the assets of the Trust funds created pursuant to the provisions of this Indenture shall be divided into non-transferable Shares;

WHEREAS, the Signatory Local Government Units anticipate that other Local Government Units may wish to become Participants by becoming parties to the Interlocal Agreement, approving this Indenture and becoming a party hereto;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties hereto, now and hereafter added pursuant to the provisions herein, mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns that all moneys, assets, securities, funds, and property now or hereafter acquired by the Trustees, their

successors and assigns under this Indenture shall be held and managed in trust for the equal and proportionate benefit of the Participants of record from time to time of Shares of beneficial interests herein, without privilege, priority, or distinction among such holders, and subject to the terms, covenants, conditions, purpose, and provisions hereof.

ARTICLE I THE TRUST

1.1 Name. Pursuant to the terms of this Indenture, a North Carolina trust is hereby established and the name of the trust shall be North Carolina Cooperative Liquid Assets Securities System (North Carolina CLASS). The Board shall conduct the Trust's activities, execute all documents, and sue or be sued under that name. The Board may use such other designations, including "North Carolina CLASS," or "NCCLASS," and may adopt such other name or names for the Trust as the Board deems proper, and the Trust may hold property and conduct its activities under such designations or names. The Board shall take such action as it, acting with the advice of counsel, shall deem necessary or appropriate to file or register such names in accordance with the laws of the State of North Carolina or the United States of America so as to protect and reserve the right of the Trust in and to such names.

1.2 Purpose; Participant Requirements.

(a) The purpose of the Trust is to provide a commingled investment pool established by interlocal agreement in accordance with North Carolina law permitting Local Government Units to pool idle funds in order to invest such funds and earn interest in accordance with, and as permitted by, the provisions of the N.C.G.S. Section 159-30 governing the investment of monies of a Local Government Unit.

(b) Only those Local Government Units that have adopted this Indenture, have executed and delivered an interlocal agreement with the other Local Government Units pursuant to § 160A-460 through 160A-464 of the General Statutes of North Carolina, as amended, and have complied with the provisions hereof are Participants.

(c) Each Local Government Unit taking all official action necessary to become a party to the Interlocal Agreement and this Indenture and executing the Interlocal Agreement and this Indenture, and otherwise complying with the provisions hereof, shall become a Participant upon depositing into the Trust the minimum total investment as that amount is established, from time to time, by the Board.

1.3 Contributions.

(a) The Board will hold in the Trust all such funds contributed by Participants for investment by the Board. No Participant will be required to appropriate funds or to levy taxes for investment in the Trust.

(b) All payments made by a Participant to the Trust, and all other money or property that lawfully becomes a part of the Trust, together with the income, appreciation or depreciation and expenses, if any, therefrom, shall be held, managed and administered in trust, pursuant to the terms of this Indenture. The Trustees accept the Trust and agree to perform the duties, responsibilities and obligations under this Indenture allocated to them as fiduciaries.

1.4 Location. The Trust shall maintain an office of record in the State of North Carolina that shall be the repository for the primary records of the Trust and may maintain such other offices or places of business as the Board may from time to time determine. The office of record may be changed from time

to time by resolution of the Board and notice of such change of the office of record shall be given to each Participant.

1.5 Nature of Trust.

(a) The Trust shall be a trust organized and existing under the laws of the State of North Carolina. The Participants shall be beneficiaries of the Trust, and their relationship to the Trust shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(b) The Indenture is an agreement of indefinite term regarding deposit, redeposit, investment, reinvestment, and withdrawal of local government funds in accordance with the Local Government Finance Act and other laws of the State of North Carolina.

(c) The Board may authorize the creation of one or more different portfolios, including portfolios that do not seek to maintain a stable net asset value, provided that each such portfolio shall conform in all respects to the requirements of this Indenture.

(d) The Board may authorize the use of the names North Carolina CLASS and NCCLASS in conjunction with other products and services that provide investment, financial, or other cash management services to Local Government Units.

(e) Pursuant to Section 115 of the Code, the Trust is intended to be exempt from income tax. The Trustees shall take any and all actions necessary to ensure that the Trust obtains all appropriate qualifications and determination, to the extent necessary, that it is and continues to be exempt from income tax under Section 115 of the Code.

(f) This Indenture shall be construed and the Trust operated in a manner consistent with the intention that the Trust is to be exempt from income tax.

(g) The Trustees shall take no action which would adversely affect the tax-exempt status of the Trust. In the furtherance of their duties under this Indenture, the Trustees may rely on an opinion of independent counsel that any action which they are directed to take will not adversely affect the tax-exempt status of the Trust.

1.6 Definitions. As used in this Indenture, the following terms shall have the following meanings:

"Additional Funds" shall have the meaning set forth in Section 6.4 herein.

"Administrative Agreement" shall mean the agreement between the Board on behalf of the Trust and the Administrator.

"Administrator" shall mean the person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article IV hereof.

"Authorized Representative" shall mean the finance officer of each Participant. Such Authorized Representative shall be the legal representative to act for and on behalf of each Participant.

"Business Day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in Raleigh, North Carolina, are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

"Board" shall mean the Board of Trustees as designated by the Signatory Local Government Units to administer and supervise the affairs of the Trust and such new or successor Trustees as shall be appointed as provided in Bylaws.

"Bylaws" shall mean the bylaws of the Trust as may be amended from time to time.

"Constant Net Asset Value Funds" means the Prime Fund and any Additional Funds that maintain a constant net asset value per Share.

"Custodian" shall mean any person or persons appointed, employed, or contracted with by the Investment Advisor on behalf of the Trust pursuant to Article V hereof.

"Custodian Agreement" shall mean the agreement between the Board on behalf of the Trust and the Custodian.

"Funds" shall have the meaning set forth in Section 6.4 herein

"Indenture" shall mean this Indenture of Trust as may be amended from time to time.

"Information Statement" shall mean an information statement or other descriptive document adopted as such by the Board from time to time and distributed to Participants and potential Participants.

"Investment Advisor" shall mean any person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article VI hereof and shall include any authorized representative of the Investment Advisor.

"Investment Advisor Agreement" shall mean the agreement between the Board on behalf of the Trust and the Investment Advisor.

"Investment Policy" shall mean the investment policy established by the Board pursuant to Section 7.1 herein.

"Local Government" has the meaning set forth in the recitals.

"Local Government Unit(s)" has the meaning set forth in the recitals.

"N.C.G.S." means North Carolina General Statutes, as amended from time to time.

"Participants" shall mean the Local Government Units that are the Signatory Local Government Units as of the date this Indenture and any other Local Government Unit that becomes a participant in the Trust by the execution and delivery of an amendment or joinder to the Interlocal Agreement and complying with the other requirements of the Interlocal Agreement.

"Permitted Investments" has the meaning set forth in the recitals.

"Person" shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks,

trust companies, land trust, business trust, or other entities (whether or not legal entities) and governments and agencies and political subdivisions thereof.

"Prime Fund" shall have the meaning set forth in Section 6.4 herein.

"Public Body" has the meaning set forth in the recitals.

"Responsible Person" shall mean a person listed on the United States Treasury Department List of Primary Dealers or any equivalent successor to such list, or a savings and loan or a bank that is organized and existing under the laws of the United States of America or any state thereof and that has assets in excess of \$500 million.

"Share" shall mean the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in the Trust Property as described in Article IX.

"Signatory Local Government Unit" has the meaning set forth in the recitals.

"Trust" shall mean the trust created by this Indenture.

"Trust Property" shall mean, as of any particular time, any and all moneys, properties, rights, or otherwise, tangible or intangible, that is transferred, conveyed, or paid to the Trust and all income, profits, and gains therefrom and which, at such time, is owned or held by, or for the account of, the Trust.

"Trustee" shall mean any member of the Board.

ARTICLE II THE PARTICIPANTS

2.1 General Powers. Subject to the provisions of this Indenture, the Participants shall have full, exclusive, and absolute power of supervision over the Trust and the affairs of the Trust.

2.2 Exercise of Participants' Rights. All rights of the Participants as set forth in this Indenture shall be exercised by their respective Authorized Representative. Wherever in this Indenture action is required by or permitted by a Participant, such action shall be taken by the Authorized Representative on behalf of the Participant. All notices required to be sent to Participants shall be sent to the Authorized Representative. Each Participant's Authorized Representative shall be responsible for the management, supervision and investment of such Participant's idle funds invested in the Trust.

2.3 Voting. Each Participant, through its Authorized Representative, shall be entitled to one vote as a matter of right with respect to the following matters:

- (a) Amendment of this Indenture;
- (b) Termination of the Trust; and
- (c) Reorganization of the Trust.

It shall not be necessary for any minimum number of Shares other than one to be allocated to a Participant for the Participant to be entitled to vote.

2.4 Participant Right to Require a Vote of the Board. The Participants shall, by an instrument or concurrent instruments in writing delivered to the Board signed by the lesser of 25 or ten

percent of the Participants, have the right to require a vote by the Board related to questions or consideration of such matters as determined by such Participants. Within 90 days of receipt of such instrument(s) or the following Board meeting, whichever occurs sooner, the Board shall be required to address the matters identified within the instrument(s) and be required to take action on the matter.

2.5 Inspection of Records. The records of the Trust shall be open to inspection by Participants at all reasonable times, provided that five (5) days written notice thereof is given to each of the Trustees.

2.6 Meetings of the Participants.

(a) Meetings of the Participants may be called at any time by a majority of the Board and shall be called upon written request of the lesser of 25 or ten percent of the Authorized Representatives. Such request shall specify the purpose(s) for which such meeting is to be called. Any such meeting shall be held within the State of North Carolina at such place, on such day and at such time as the Board shall designate, provided that a meeting requested by the Authorized Representatives shall be held within 60 days of such request or on such other date contained in the request but not less than 30 days from the date of the request.

(b) A majority of the Authorized Representatives entitled to vote shall constitute a quorum. An Authorized Representative may vote in person or by proxy (to the extent permitted by law). Any Authorized Representative may attend by conference telephone or similar communication equipment if all persons participating are able to communicate with each other.

(c) All meetings of Participants shall comply with all applicable requirements of all applicable laws including, without limitation, with N.C.G.S. Section 143-33C.

2.7 Notice to Participants.

(a) Any notice required to be given to the Participants including notice of all meetings of the Participants shall be given by delivering by mail or electronically the notice to the Authorized Representative of each Participant at the address shown in the records of the Trust.

(b) In the case of a meeting of the Participants any notice shall be delivered at least 20 days before the meeting. The notice shall state the time, place, and purposes of the meeting. Only business stated in the notice of a meeting shall be considered at such meeting. Any adjourned meeting may be held as adjourned without further notice.

(c) The Board may authorize the Administrator to maintain a website with respect to the Trust. Notices required to be given to the Participants may be posted to such website; provided, however, the Administrator shall post all notices to the website to the extent such notices are required to be posted on the website by applicable law, including, without limitation, with N.C.G.S. Section 143-33C.

(d) All notices to Participant shall comply with all applicable requirements of all applicable laws including, without limitation, with N.C.G.S. Section 143-33C.

2.8 Proxies.

(a) At any meeting of the Participants, any Authorized Representative entitled to vote may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary of the Trust or with such other officer or agent of the Trust as the Secretary of the Trust may direct. Pursuant to a resolution of a majority of the Board, proxies may be solicited in the name

of one or more of the officers of the Trust. All proxies shall be revocable at the option of the Authorized Representative at any time prior to the vote.

(b) A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless another Participant challenges the validity of such proxy at or prior to the vote. The burden of proving invalidity of a proxy shall rest on the challenger. Those Participants not involved in the challenge shall determine any such challenge, and their decision shall be final.

2.9 Record Date of Meetings and Votes. For the purposes of determining the Participants that are entitled to vote or act at any meeting or any adjournment thereof, or for the purpose of any other action, the Board may fix a date no more than 30 days prior to the date of any meeting or vote of the Participants or other action as a record date for delivering notice to the Participants. No Participant shall be entitled to vote at such meeting or any adjournment thereof, or to cast a ballot in such vote, unless it has a minimum of one Share allocated to it as of the record date. Any Participant becoming such prior to the meeting shall be entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote and to be treated as a Participant for all purposes.

2.10 Number of Votes. Only Participants of record shall be entitled to vote, and each Participant shall be entitled to one vote without regard to the number of Shares allocated to it. The approval of at least a majority of those voting shall be sufficient to approve any action at a meeting of the Participants except as provided in Sections 7.8 and 14.1.

ARTICLE III THE BOARD OF TRUSTEES

3.1 General Powers.

(a) Subject to the rights of the Participants as provided herein, the Board shall have the authority over the Trust Property and the affairs of the Trust in order to administer the operation of the Trust, subject to the requirements, restrictions and provisions of this Indenture, including the power to delegate such functions of administration pursuant to Section 3.9 hereof. The Trustees may do and perform such acts and things as in their judgment and discretion, subject to the requirements and restrictions of this Indenture, as are necessary and proper for the administration of the Trust and the investment of the Trust Property. as are necessary and proper for conducting the affairs of the Trust or promoting the interest of the Trust and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized and granted to the Trustees by this Indenture. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court. The Board shall invest the assets of the Trust with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital.

(b) As set forth in Section 1.3 herein, Participants are not required to appropriate funds or to levy taxes for investment in the Trust. Further, Trustees shall neither have the right nor the obligation to require or collect contributions from the Participants or to enforce or attempt to enforce any agreement that may attempt to require contributions to the Trust. The Trustees shall be accountable only for transfers and contributions made to the Trust in accordance with the terms of this Indenture.

3.2 Annual Report. The Board shall cause to be prepared at least annually:

(a) A report of operations containing a statement of assets and liabilities and statements of operations and of changes in net assets of the Trust prepared in conformity with United States generally accepted accounting principles;

(b) An opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Trust made in accordance with United States generally accepted auditing standards;

(c) Sufficient information to establish compliance with the investment policy established in this Indenture; and

(d) Such other information as may be required by N.C.G.S. or by rules and regulations promulgated thereunder.

The Board shall cause copies of the annual report, together with the most recent Information Statement, to be delivered to all Participants of record within five Business Days from the receipt thereof.

3.3 Other Reports. The Board may also furnish to the Participants additional reports of operations and such other information as the Board may determine or as may be required by North Carolina law or by rules and regulations promulgated thereunder.

3.4 Legal Title.

(a) Legal title to all of the Trust Property shall be vested in the Trustees on behalf of the Participants, who shall be the beneficial owners; provided, however, the Trustees may cause legal title to all or a portion of the Trust Property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Trust is adequately protected.

(b) The right, title and interest of the Trustees in and to the Trust Property shall vest automatically in all persons who may hereafter become Trustees upon their due selection and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, disqualification pursuant to the terms of this Indenture, or death of a Trustee, he or she (and in the event of his or her death, his or her estate) shall automatically cease to have any right, title or interest in or to any of the Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Trustees without any further act.

3.5 Execution of Documents. All documents or instruments that require a signature shall be signed by the Chair or by such other person as so designated by resolution of the Board. The Board may authorize the use of facsimile, electronic or other legal signatures.

3.6 Delegation; Committees, Bylaws; Policies; Procedures. The Board shall have full and complete power to delegate, from time to time, to one or more Trustees (who may be designated as constituting a committee of the Board) or to officers, employees, or agents of the Trust (including without limitation the Administrator, the Custodian, and/or the Investment Advisor) the doing of such acts and things and the execution of such instruments as the Board may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust. The Board may adopt and, from time to time, amend or repeal Bylaws, policies, or procedures for the conduct of the business of the

Trust. Such Bylaws, policies, or procedures may, among other things, define the duties of the respective officers, agents, employees, and representatives of the Trust.

3.7 Fiscal Year; Accounts. The Board shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. Unless otherwise determined by the Board, the fiscal year of the Trust shall commence on January 1 and terminate on December 31.

3.8 Payment of Expenses.

(a) The Board shall have full and complete power:

(i) To incur and pay any charges or expenses that, in the opinion of the Board, are necessary or incidental to or proper for carrying out any of the purposes of this Indenture;

(ii) To reimburse others for the payment therefore; and

(iii) To pay appropriate compensation or fees from the funds of the Trust to persons with whom the Board has contracted or transacted business.

The Trustees may delegate the foregoing to the Administrator.

(b) The Trustees shall not be paid compensation for their general services as such. Trustees may be reimbursed for expenses reasonably incurred on behalf of the Board and for attendance at Board meetings and other Trust related activities.

(c) In no event shall the expenses of administration of the Trust be payable from any source other than Trust Property.

3.9 Payment of Taxes. The Board shall have full and complete power:

(a) To pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Trust or the Trustees in connection with the Trust Property or upon or against the Trust Property or income or any part thereof;

(b) To dispute, settle and compromise tax liabilities; and

(c) To file such tax returns as may be required to be filed by the applicable taxing authority.

The Trustees may delegate the foregoing to the Administrator.

3.10 Insurance. At all times, the Board, through the Administrator, shall maintain insurance policies insuring the Trust, the Trustees, officers, employees, and agents of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the Trust or any such person, officer, employee, and agent including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability. The Board shall have full power and authority to purchase and pay for such insurance entirely out of the Trust Property. Such insurance policies shall be in such amounts as the Board shall deem adequate to cover

all foreseeable tort and contract liability to the extent available at reasonable rates, and as set forth in Section 8.5, the Board may rely on the advice of experts in determining such amounts.

3.11 Power to Contract, Appoint, Retain, and Employ.

(a) The Board is responsible for the investments of the Trust consistent with the Investment Policy and for the general administration of the business and affairs of the Trust conducted by officers, agents, employees, administrators, investment advisors, distributors, or independent contractors of the Trust. The Trustees are not required to conduct the routine business of the Trust. Consistent with their responsibilities, the Board may appoint, employ, retain, or contract on behalf of the Trust with any persons the Board may deem necessary or desirable for the transaction of the affairs of the Trust, to:

- (i) Serve as Investment Advisor to the Trust;
- (ii) Serve as Administrator of the Trust;
- (iii) Serve as Custodian for the Trust;
- (iv) Furnish reports to the Trust and provide research, economic, and statistical data in connection with the Trust's investments;
- (v) Act as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers or insurance agents, or in any other capacity deemed by the Board to be necessary or desirable;
- (vi) Act as attorney-in-fact or agent in the purchase or sale or other disposition of investments and in the handling, prosecuting, or other enforcement of any lien or security securing investments; or
- (vii) Assist in the performance of such other functions necessary in the management of the Trust.

(b) The same person may serve simultaneously as the Administrator and as the Investment Advisor, but no person serving as the Administrator or the Investment Advisor may serve as the Custodian.

3.12 Seal. The Board shall have full and complete power to adopt and use a seal for the Trust, but, unless otherwise required by the Board, it shall not be necessary for the seal to be placed on, and its absence shall not impair the validity of, any document, instrument, or other paper executed and delivered by or on behalf of the Trust.

3.13 Information Statements. The Board shall have full and complete power to prepare, publish, and distribute to the Participants or potential Participants one or more Information Statements regarding the Trust and to amend or supplement the same from time to time. The Information Statement for a particular fund shall include but not be limited to the following information related to such fund:

- (a) Credit standards for Trust investments;
- (b) The safekeeping practices utilized for the Trust;

- (c) Maximum and minimum account sizes;
- (d) Maximum and minimum transaction sizes for deposits to and withdrawals from Participants' accounts;
- (e) Instructions for establishing accounts and making deposits to and withdrawals from Participants' accounts;
- (f) The procedures for determining the value of the Trust Property and the net asset value per Share; and
- (g) The method for disclosure of administrative and associated costs incurred by the Trust.

3.14 Trustees; Signatory Public Agencies and Participants. No Signatory Local Government Unit or Participant, nor any of their respective officers, employees, agents or representatives shall have any liability under this Indenture as a result of service by its Authorized Representative as a Trustee.

3.15 Further Powers. The Board shall have full and complete power to take all such actions, do all such matters and things, and execute all such documents, instruments and certificates as they deem necessary, proper, or desirable in order to carry out, promote, or advance the interests and purposes of the Trust although such actions, matters, or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Trust made by the Board in good faith shall be conclusive. In construing the provisions of this Indenture, the presumption shall be in favor of a grant of power to the Board.

ARTICLE IV ADMINISTRATOR

4.1 Appointment. The Board shall appoint one or more persons to serve as the Administrator of the Trust.

4.2 Duties of the Administrator. The duties of the Administrator shall be those set forth in an Administrative Agreement to be entered into between the Trust and the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administrative Agreement. The Administrative Agreement may authorize the Administrator to employ other Persons to assist it in the performance of its duties.

4.3 Termination. Any Administrative Agreement shall provide that it may be terminated without cause and without the payment of any penalty on at least 90 days' written notice. Nothing in this Indenture or in the Administrative Agreement shall limit or impair the right of the Board to terminate the Administrative Agreement for cause, or to suspend the authority of the Administrator to act for or on behalf of the Trust immediately upon written notice to the Administrator, upon a showing of reasonable cause to believe that the Administrator has committed a material breach of the Administrative Agreement or any of its fiduciary obligations to the Trust.

4.4 Successors. In the event that, at any time, the position of Administrator shall become vacant for any reason, the Board shall appoint, employ, or contract with a successor.

ARTICLE V CUSTODIAN

5.1 Appointment. The Board shall select and employ, with the advice of the Investment Advisor, a bank, savings and loan association or trust company in the State of North Carolina or otherwise in accordance with N.C.G.S. Section 159-31 as Custodian.

5.2 Duties of the Custodian. The duties of the Custodian shall be those set forth in a Custodian Agreement. Such duties may be modified by the Trustees, from time to time, by the amendment of the Custodian Agreement. The Custodian will have the authority as agent of the Board, subject to the restrictions and limitations set forth in this Indenture and the Custodian Agreement. The Custodian shall agree to act in accordance with the instructions of the Investment Advisor.

5.3 Termination. The Custodian may resign on not less than 90 days' written notice to the Board and may be terminated at any time without cause and without the payment of any penalty by the Trust on not less than 90 days' written notice to the Custodian.

5.4 Successors. In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement, the Trustees shall appoint, employ or contract with a successor.

ARTICLE VI INVESTMENT ADVISOR

6.1 Appointment. The Board may appoint one or more persons to serve as the Investment Advisor of the Trust.

6.2 Duties of the Investment Advisor. The duties of the Investment Advisor shall be those set forth in an Investment Advisor Agreement to be entered into between the Board on behalf of the Trust and the Investment Advisor. Such duties may be modified by the Board from time to time. The Board may authorize the Investment Advisor to effect purchases, sales, or exchanges of Trust Property on behalf of the Board or may authorize any officer, employee, agent, or member of the Board to effect such purchases, sales, or exchanges pursuant to recommendations of the Investment Advisor, all without further action by the Board. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by the Board. The Investment Advisor Agreement may authorize the Investment Advisor to employ other persons to assist in the performance of the duties set forth in the Investment Advisor Agreement. The Investment Advisor shall at no time have custody of, or physical control over, any of the investment property.

6.3 Termination. The Investment Advisor may resign on not less than 90 days' written notice to the Board and may be terminated at any time without cause and without the payment of any penalty by the Trust on not less than 90 days' written notice to the Investment Advisor.

6.4 Funds. The Investment Advisor shall cause the Custodian to establish a primary fund (the "Prime Fund") for the investment of idle funds of the Participants. The Prime Fund shall be invested in Permitted Investments pursuant to the criteria and policies contained in this Indenture and the Investment Policy (collectively, the "Investment Policy of Prime Fund"). Notwithstanding anything in this Indenture to the contrary, the Investment Advisor may, upon the direction of the Board, cause the Custodian to establish specially designated funds, in addition to the Prime Fund, with specified investment characteristics (the "Additional Funds" and, together with the Prime Fund, the "Funds"). The Investment Advisor may cause the Custodian to establish such Additional Funds once the Board or its designee has approved in writing the investment characteristics of such Additional Funds. If established, any such Additional Fund

shall consist only of Permitted Investments, and the investment characteristics of each such Additional Fund shall be set forth in a separate Information Statement. The establishment of such Additional Funds shall not be deemed an amendment of this Indenture. A Participant may direct the Investment Advisor to invest its surplus funds in any of the established Funds. The Investment Advisor shall cause each such Fund to maintain accounts and reports separate from any other Fund. The Investment Advisor may choose to provide for a separate rating on each such Fund. All provisions of this Indenture and the Investment Advisor Agreement shall apply to any such Funds.

6.5 Individualized Subaccounts. Notwithstanding anything in this Indenture to the contrary, the Investment Advisor from time to time may propose to the Participants that the Participants establish individualized subaccounts within any Fund with investment, withdrawal, contribution, or other characteristics different, but no broader, than those set forth in this Indenture. Such characteristics may include, without limitation, certain restrictions on amounts to be deposited, the types of Permitted Investments to be made, and additional administration fees. A Participant in its sole discretion may request that the Investment Advisor create such proposed individualized subaccounts within any Fund on behalf of such Participant. Any subaccount that is created pursuant to this Section 6.5 shall be subject to the terms and investment policies set forth in the proposal of the Investment Advisor until the terms governing such subaccount are amended by the specific Participant having such subaccount. To amend such terms, the Participant must provide to the Investment Advisor a special investment policy governing such subaccount. Such investment policy may not be broader than the Investment Policy of the Prime Fund, or if a subaccount is created for an Additional Fund, such investment policy may not be broader than the investment policy of such Additional Fund and in no case shall it be broader than the Investment Policy and Permitted Investments. The establishment of such subaccounts and the amendment of the investment policy for such subaccount shall not be deemed an amendment of this Indenture. The Investment Advisor shall calculate the return realized by such subaccounts separate and apart from the returns realized by other subaccounts maintained for other Participants.

6.6 Successors. In the event that, at any time, the position of Investment Advisor shall become vacant for any reason, the Board shall appoint, employ, or contract with a successor.

ARTICLE VII INVESTMENTS

7.1 Statement of Investment Objective. The Trust is a local government investment pool trust and is established to provide safety, liquidity, service, and income to Local Government Units by investing in Permitted Investments in accordance with this Indenture, the Act and any other applicable provisions of law, as the same may be amended from time to time. The Board shall adopt an investment policy to achieve this objective (the "Investment Policy").

7.2 Restrictions Fundamental to the Trust. Notwithstanding anything in this Indenture that may be deemed to authorize the contrary, the Board:

(a) May not make any investment other than investments authorized by this Indenture, which constitute Permitted Investments and are consistent with the Investment Policy, and which are consistent with the investment policies and procedures set forth in the Information Statement and which are described therein, as the same may be amended from time to time, provided, however, the Board and the Trust shall not be responsible for insuring compliance with any investment restrictions provided for in a Participant's investment policy or elsewhere;

(b) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments except as a temporary measure to facilitate

withdrawal requests that might otherwise require unscheduled dispositions of portfolio investments and only as and to the extent permitted by law;

(c) May not hold or provide for the custody of any Trust Property in a manner not authorized by law or by any institution or person not authorized by law; and

(d) May not buy securities from or sell securities to the Administrator, the Investment Advisor, the Custodian, or any Trustee or any affiliate, officer, director, employee, or agent of any of them.

7.3 Permitted Investments. The Board shall have full and complete power:

(a) to conduct, operate, and provide investment programs for the pooling of surplus funds of Local Government Units to take advantage of short-term investments and maximize net interest earnings;

(b) for such consideration as it may deem proper and as may be required by law, to deposit, to subscribe for, invest in, assign, transfer, exchange, distribute, and otherwise deal in or dispose of investment instruments that are Permitted Investments; and

(c) to contract for and enter into agreements with respect to the purchase and sale of Permitted Investments.

7.4 Disposition of Assets. The Board, through the Investment Advisor, shall have full and complete power to sell, exchange, or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements, and reservations as they shall deem proper and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing including giving consents and making contracts relating to Trust Property or its use.

7.5 Collection. The Board shall have full and complete power:

(a) to collect, sue for, receive, and receipt for all sums of money or other property due to the Trust;

(b) to consent to extensions of the time for payment or to the renewal of any securities, investments, or obligations;

(c) to engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands, or things relating to the Trust Property;

(d) to foreclose any collateral, security, or instrument securing any investments, notes, bills, bonds, obligations, or contracts by virtue of which any sums of money are owed to the Trust;

(e) to exercise any power of sale held by the Board and to convey good title thereunder free of any and all trusts and in connection with any such foreclosure or sale to purchase or otherwise acquire title to any property;

(f) to be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee, or other person, any securities, investments or obligations of any person who form a part of the Trust Property for the purpose of such reorganization or otherwise;

(g) to participate in any arrangement for enforcing or protecting the interests of the Trust as the owner or holder of such securities, investments, or obligations and to pay any assessment levied in connection with such reorganization or arrangement;

(h) to extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into release, agreements, and other instruments;

(i) to pay or satisfy any debts or claims upon any evidence that the Board shall deem sufficient; and

(j) to pursue any remedies permitted by law that in the judgment of the Board is in the interest of the Trust.

7.6 Deposits. Subject to the provisions of N.C.G.S. Sections 159-31 and 159-32, in such manner as may now and hereafter be permitted by this Indenture and applicable law, the Board shall have full and complete power to deposit any moneys or funds included in the Trust Property with an eligible public depository. Such deposits are to be subject to withdrawal in such manner as the Board may determine, and the Board shall have no responsibility for any loss that may occur by reason of the failure of the bank, trust company, or other banking institution with which the moneys, investments, or securities have been deposited. During the term of any such deposit, each such bank, trust company, or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable laws including, without limitation, with N.C.G.S. Sections 159-31 and 159-32.

7.7 Valuation. The Board shall have full and complete power to conclusively determine, in good faith, the value of any of the Trust Property and to revalue the Trust Property as the Board deems appropriate and consistent with the provisions of this Indenture. The procedures for valuing the Trust Property shall be set forth in the Information Statement.

7.8 Amendment of Restrictions. The restrictions set forth in Sections 7.2 and 7.3 hereof are fundamental to the operation and activities of the Trust and may not be changed without the affirmative vote of a majority of the Participants except that such restrictions may be changed by the Board so as to make Sections 7.2 and 7.3 hereof more restrictive when necessary to conform the investment program and activities of the Trust to the laws of the State of North Carolina and the United States of America as they may from time to time be amended.

ARTICLE VIII LIMITATIONS OF LIABILITY

8.1 Liability to the Trust or to the Participants. No Trustee, officer, or employee of the Trust shall be liable to the Trust or to any Participant, member of the Board, officer, employee, advisor, consultant, or agent of the Trust for any action or failure to act (including without limitation the failure to compel in any way any former or acting member of the Board to redress any breach of trust) except for bad faith, willful misfeasance, gross negligence, or reckless disregard of his or her duties. Any agreements with the Administrator, the Custodian, or the Investment Advisor shall provide for the liability of the Administrator, the Custodian, and the Investment Advisor, as the case may be, for a failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Indenture. The provisions of this Section shall not limit the liability of any agent (including, without limitation, the Administrator, the Custodian, or the Investment Advisor) with respect to any breach of any contract between the agent and the Board.

8.2 Indemnification.

(a) The Trust shall indemnify, to the extent of the earnings of the Trust and the proceeds of any insurance policies, each of the Trustees and such officers or employees as designated by the Board to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred in connection with the defense or disposition of any action, suit, or other proceeding, whether civil or criminal, in which the indemnified person may be involved or with which the indemnified person may be threatened, while in office or thereafter, by reason of being or having been a Trustee, officer, or employee except as to any matter as to which the indemnified person shall have been adjudicated to have acted in bad faith or with willful misfeasance or reckless disregard of his or her duties or gross negligence or, in the case of the Investment Advisor or the Administrator, in violation of the restrictions on investments of the Trust Property.

(b) The provisions of this Section shall not be construed to permit the indemnification of any agent of the Trust with respect to any breach of a contract between the agent and the Board.

(c) As to any matter disposed of by a compromise payment by the Board or any Trustee, officer, employee, advisor, consultant, or agent pursuant to a consent decree or otherwise, no indemnification either for such payment or for any other expense shall be provided unless the Board, after consultation with counsel and other experts deemed necessary, has determined that such compromise payment is or was in the best interests of the Trust.

(d) No Participant shall be liable to any person with respect to any claim for indemnity or reimbursement and any Trustee, officer, employee, advisor, consultant, or agent may satisfy any right to indemnity or reimbursement granted herein or to which they may be otherwise entitled only out of the earnings on the Trust. The Board may make advance payments in connection with indemnification provided that the person indemnified shall have given a written undertaking to reimburse the Trust in the event that it is subsequently determined that the person is not entitled to such indemnification.

(e) To the extent permitted by applicable laws, the Board shall also have full and complete power to indemnify or enter into agreements with respect to indemnification with any other person with whom the Trust has dealings.

8.3 Surety Bonds. No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his or her duties.

8.4 Recitals. Any written instrument creating an obligation of the Trust shall be conclusively taken to have been executed by the Trustee, officer, employee, or agent of the Trust only in his or her capacity as Trustee, officer, employee, or agent of the Trust. Any written instrument creating an obligation of the Trust is not personally binding upon nor shall resort be had to the property of any Trustee, Participant, Authorized Representative, officer, employee, or agent of the Trust and only the Trust Property or a specific portion thereof shall be bound.

8.5 Reliance on Experts. Each Trustee and each officer, employee, or agent of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or failure to act resulting from reliance in good faith upon the records of the Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the Administrator, the Custodian, the Investment Advisor, accountants, appraisers, or other experts or consultants selected by the Board or officers of the Trust.

ARTICLE IX INTERESTS OF PARTICIPANTS

9.1 General. The beneficial interests of the Participants hereunder in the Trust Property and the earnings thereon shall, for convenience of reference, be divided into Shares. Shares shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interests hereunder. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interests among the Participants is unlimited. All Shares shall be of one class representing equal distribution, liquidation, and other rights. The beneficial interests measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Trust or the Trust Property. Title to the Trust Property of every description is vested in the Trust on behalf of and for the beneficial interests of the Participants. The Participants shall have no interest in the Trust Property other than the beneficial interests conferred hereby and measured by their Shares, and the Participants shall have no right to call for any partition or division of any property, profits, rights, or interests of the Trust nor can the Participants be called upon to share or assume any losses of the Trust or suffer an assessment of any kind by virtue of the allocation of Shares to them.

9.2 Allocation of Shares.

(a) In their discretion, the Board may from time to time allocate Shares in addition to the then allocated Shares to such Participant for such amount and such type of consideration (including without limitation income from the investment of Trust Property) at such time(s) (including without limitation each Business Day in accordance with the maintenance of a constant net asset value per Share as set forth in this Indenture with respect to the Prime Fund), and on such terms as the Board may deem best. In connection with any allocation of Shares, the Board may allocate fractional Shares. From time to time, the Board may adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Trust. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share with respect to the Prime Fund as set forth in Section 12.2. Shares shall be allocated and redeemed as one hundredths (1/100ths) of a Share or any multiple thereof.

(b) Shares may be allocated only to a Participant of the Trust in accordance with this Indenture. Any Participant may establish more than one subaccount within the Trust for such Participant's convenience.

(c) There is no minimum amount of funds that may be maintained in an account in the Trust by a Participant at any one time, and there shall be no limit on the maximum that may be maintained by a Participant in any account; provided that the Board may, by resolution, change the minimum or set a maximum.

(d) If the Board changes the minimum total investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

9.3 Evidence of Share Allocation. Evidence of Share allocation shall be reflected in the records of the Trust, and the Trust shall not be required to issue certificates as evidence of Share allocation.

9.4 Redemption to Maintain Constant Net Asset Value for Constant Net Asset Value Funds. The Shares of the Trust with respect to Constant Net Asset Value Funds shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares in order to maintain the constant net asset value per Share.

9.5 Redemptions. Payments by the Trust to Participants, and the reduction of Shares resulting therefrom, are referred to in this Indenture as redemptions for convenience. Any and all allocated Shares may be redeemed at the option of the Participant upon and subject to the terms and conditions provided in this Indenture. The Trust shall, upon application of any Participant, promptly redeem from such Participant allocated Shares for an amount per Share equivalent to the proportional interest in the net assets of the Trust at the time of the redemption. The procedures for effecting redemption shall be prescribed by the Board in the current Information Statement applicable to such Fund; provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the Trust.

9.6 Suspension of Redemption; Postponement of Payment.

(a) Each Participant, by its execution of this Indenture, agrees that the Board may, without the necessity of a formal meeting of the Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period:

(i) During which there shall have occurred any state of war, national emergency, banking moratorium, or suspension of payments by banks in the State of North Carolina or any general suspension of trading or limitation of prices on the New York Stock Exchange or American Stock Exchange (other than customary weekend and holiday closing); or

(ii) During which any financial emergency when or if disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses that might be incurred or it is not reasonably practicable for the Trust fairly to determine the value of its assets.

(b) Such suspension or postponement shall not in and of itself alter or affect a Participant's beneficial interests hereunder.

(c) Such suspension of payment shall take effect at such time as the Board shall specify, and thereafter there shall be no right of redemption or payment until the Board shall declare the suspension or postponement at an end.

(d) The suspension or postponement shall terminate on the first day on which the period specified in (a) above shall have expired (as to which the determination of the Board shall be conclusive).

(e) In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either:

(i) Withdraw its request for redemption; or

(ii) Receive payment based on the net asset value existing after the termination of the suspension.

9.7 Minimum Redemption. There shall be a minimum of one Share that may be redeemed at any one time at the option of a Participant.

9.8 Defective Redemption Requests. In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored and the Participant will be required to resubmit a request for redemption.

ARTICLE X RECORD OF SHARES

10.1 Share Records. The Trust shall maintain records that shall contain:

- (a) The names and addresses of the Participants;
 - (b) The number of Shares representing their respective beneficial interests hereunder;
- and
- (c) A record of all allocations and redemptions.

Such records shall be conclusive as to the identity of the Participants to which Shares are allocated. Only Participants whose allocation of Shares is recorded in the Trust records shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the Shares. No Participant shall be entitled to receive any distribution nor to have notices given to it until it has given its appropriate address to the Trust.

10.2 Maintenance of Records. The Administrator, or such other person appointed by the Board, shall record the allocations of Shares in the records of the Trust.

10.3 Owner of Record. No Person becoming entitled to any Shares in consequence of the bankruptcy or insolvency of any Participant or otherwise by operation of law shall be recorded as the Participant to which such Shares are allocated unless such Person is otherwise qualified to become a Participant. If not qualified, such Person shall present proof of entitlement to the Board and if the Board, in its sole discretion, deems appropriate then be entitled to the redemption value of the Shares.

10.4 No Transfer of Shares. The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the Trust itself for purposes of redemption. However, Shares may be redeemed from one Participant's account and the proceeds deposited directly into another Participant's account upon instructions from an Authorized Representative of the respective Participant.

10.5 Limitation of Responsibility. The Board shall not, nor shall the Participants or any officer or other agent of the Trust, be bound to determine the existence of any trust, express, implied or constructive, or of any charge, pledge, or equity to which any of the Shares or any interest therein are subject or to ascertain or inquire whether any redemption of any such Shares by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of moneys by the Participant in whose name any Share is recorded or by the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all responsibility to see the proper application thereof.

10.6 Notices. Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if electronically or mailed, postage prepaid, addressed to Participants of record at the electronic or physical mailing addresses recorded in the records of the Trust.

ARTICLE XI TRUSTEES AND OFFICERS

11.1 Number and Qualification. The Trustees shall be appointed as set forth in the Bylaws. The Board may, at any time and from time to time, increase the number of Trustees and set the initial terms for each additional Trustee; provided however, the number of Trustees shall not be less than three (3) nor more than thirteen (13). In the event the Board approves such an increase, the Board shall appoint qualified Authorized Representatives to a term not to exceed three years. By resolution, the Board may decrease the number of Trustees (but to never less than three) by not filling expiring terms.

11.2 Term. The term of office for a Trustee shall be three years (or less for certain initial Trustees or Trustees appointed upon expansion of the Board) or until a successor has been appointed and qualified, and such term shall begin at the meeting following the appointment. The terms shall be fixed so that approximately one-third of the terms expire annually. Trustees may succeed themselves in office.

11.3 Resignation and Removal. Any Trustee may resign or be removed as set forth in the Bylaws.

11.4 Officers. The Board shall annually elect officers as set forth in the Bylaws.

11.5 Meetings.

(a) All meetings of the Board shall at all times be in compliance with the laws of North Carolina, including, but not limited to, Article 33C of Chapter 143 (Open Meetings) North Carolina General Statutes ("N.C.G.S."), as amended.

(b) Meetings of the Board shall be called and held as set forth in the Bylaws.

ARTICLE XII DETERMINATION OF NET ASSET VALUE AND NET INCOME

12.1 Net Asset Value. The net asset value of each allocated Share of the Trust shall be determined once on each Business Day at such time as the Board by resolution may determine. The method of determining net asset value shall be established by the Board and will be set forth in the Information Statement for such Fund.

12.2 Constant Net Asset Value; Reduction of Allocated Shares.

(a) As it pertains to the Prime Fund and any other Constant Net Asset Value Fund, the Board shall determine the net income (loss) of the Trust once on each Business Day and such net income (loss) shall be credited proportionately to the accounts of the Participants in such manner that the net asset value per Share of the Trust shall remain at \$1.00. Any change in the constant dollar value shall be made on a pro rata basis by increasing or reducing the number of each Participant's Shares. The method used for the determination of the net income of the Trust and the crediting thereof proportionately to the respective accounts of the Participants shall be determined by the Board and may be set forth in the Information Statement. The duty to make the daily calculations may be delegated by the Board to the Administrator, the Custodian, the Investment Advisor, or such other person as the Board by resolution may designate. Fluctuations in value will be reflected in the number of Shares allocated to each Participant. Each Participant will be deemed to have agreed to such reduction by its investment in the Trust and its adoption of this Indenture. The purpose of the foregoing procedure is to permit the net asset value per Share of the Trust to be maintained at \$1.00.

(b) The Board may discontinue or amend the practice of attempting to maintain the net asset value per Share at a constant dollar amount at any time and such modification shall be evidenced by notice to the Participants and in the Information Statement applicable to such Fund.

(c) Nothing in this Section prohibits the Board from establishing one or more Additional Funds pursuant to Section 6.4. Such Additional Funds may not be managed to maintain a constant net asset value as described in this Section provided that Participants that invest in such Additional Fund are provided notice thereof prior to such investment.

12.3 Retained Reserves. The Board may retain from earnings of the Trust in such amounts as deemed necessary to pay the expenses of the Trust and to meet other obligations of the Trust. In addition, the Board shall also have the power to establish such reasonable reserves from earnings as they believe may be required to protect the Trust and the Participants against contingent liabilities.

ARTICLE XIII RECORDING OF INDENTURE

13.1 Recording. This Indenture and any amendments hereto may be filed, registered, recorded, or lodged as a document of public record in such place or places and with such official or officials as may be required by law or as the Board may deem appropriate. An amended Indenture, containing or restating the original Indenture and all amendments therefore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Indenture and the various amendments thereto. Each amendment so filed, recorded, or lodged shall be accompanied by a resolution of the Board reflecting the amendment and its effective date.

ARTICLE XIV AMENDMENTS TO INDENTURE AND PERMITTED INVESTMENTS LIST; TERMINATION OF TRUST; DURATION OF TRUST

14.1 Amendment to Indenture or Permitted Investments List; Termination.

(a) The provisions of this Indenture may be amended or altered, or the Trust may be terminated, by a vote of the Participants pursuant to Article II hereof; provided, however, any amendment of Sections 7.2 and 7.3 shall also be subject to Section 7.8. The Board may, from time to time by a two-thirds vote of the Trustees and after 30 days prior written notice to the Participants, amend or alter the provisions of the Indenture without the vote or assent of the Participants, that the Board, in good faith deems necessary or convenient for the administration and operation of the Trust or to the extent deemed by the Board in good faith to be necessary to conform this Indenture to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Board shall not be liable for failing so to do. Notwithstanding the foregoing, no amendment may be made pursuant to this Section that would:

(i) Change any rights with respect to any allocated Shares of the Trust by reducing the amount payable thereon upon liquidation of the Trust or that would diminish or eliminate any voting rights of the Participants except with the vote or written consent of two-thirds of the Participants entitled to vote thereon;

(ii) Cause any of the investment restrictions contained herein to be less restrictive without the vote or written consent of a majority of the Participants entitled to vote thereon;

(iii) Change the limitations on personal liability of the Participants and Trustees; or

(iv) Change the prohibition of assessments upon Participants.

(b) A certification signed by a majority of the Board setting forth an amendment and reciting that it was duly adopted by the Participants or by the Board or a copy of the Indenture, as amended, executed by a majority of the Board shall be conclusive evidence of such amendment.

(c) The Trust may be terminated by the vote of the majority of authorized Trustees, subject to the vote or written consent of Participants holding at least a majority of the Shares. Upon the termination of the Trust:

(i) The Trust shall carry on no business except for the purpose of terminating the Trust;

(ii) The Board shall proceed to terminate the Trust, and all of the powers of the Board and the Trustees under this Indenture shall continue until the affairs of the Trust have been terminated including without limitation the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer, or otherwise dispose of all or any part of the remaining Trust Property to one or more Persons at public or private sale for consideration that may consist in whole or in part of cash, securities, or other property of any kind, discharge or pay its liabilities and do all other acts appropriate to liquidate its assets; provided, however, that any sale, conveyance, assignment, exchange, transfer, or other disposition of all or substantially all of the Trust Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Board; and

(iii) After paying or adequately providing for the payment of all liabilities and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Board may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(d) Upon termination of the Trust and distribution to the Participants as herein provided, a majority of the Board shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Board shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title, and interest of all Participants shall cease and be canceled and discharged.

14.2 Distribution upon Termination. Upon the termination of the Trust, the Trustees shall, after paying or making provision for the payment of all of the liabilities of the Trust, dispose of all of the assets of the Trust exclusively for the purposes of the Trust, in such manner, or to such organization(s) organized and operated exclusively for charitable or educational purposes as shall at the time qualify as an exempt organization(s) under Section 501(c)(3) of the Code, or the corresponding provisions of any subsequent federal tax laws, as the Trustees shall determine. Any such assets not so disposed of shall be disposed of by the court of general jurisdiction in the county in which the principal office of the Trust is then located, exclusively for such purposes or to such organization or organizations as such court shall determine.

14.3 Duration. The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Indenture.

ARTICLE XV MISCELLANEOUS

15.1 Governing Law; Venue.

(a) This Indenture shall be governed by and interpreted in accordance with the laws of the State of North Carolina. All references to particular statutes shall mean as amended or replaced from time to time.

(b) Venue for any dispute, breach or other legal action relating to the interpretation or implementation of this Indenture shall lie in a court of competent jurisdiction in the State of North Carolina.

15.2 Electronic Signatures. The parties agree that the electronic signature of a party to this Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The parties agree that any electronically signed document (including this Indenture) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. No party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

15.3 Section Headings. Any headings preceding the text of the several Articles and Sections of the Indenture and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Indenture nor affect its meaning, construction or effect.

15.4 Counterparts. This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

15.5 Reliance by Third Parties. Any certificate executed by an individual who, according to the then current records of the Trust, appears to be a Trustee hereunder or the Chair, Vice-Chair, Secretary or Treasurer of the Trust certifying to:

- (a) The number or identity of the Trustees or Participants;
- (b) The due authorization of the execution of any instrument or writing;
- (c) The form or results of any vote passed at a meeting of the Board or by the Participants;
- (d) The fact that the number of the Trustees or Participants present at any meeting or executing any written instruments satisfies the requirements of this Indenture;

- (e) The form of any bylaws, policies, or procedures adopted by the Board;
- (f) The identity of any officers elected by the Board; or
- (g) The existence of any fact or facts that in any manner relate to the affairs of the

Trust,

shall be conclusive evidence as to the matters so certified in favor of any person dealing with the Board or the Trust and their successors.

15.6 Provisions in Conflict with Law. The provisions of this Indenture are severable and if the Board shall determine with the advice of counsel that any one or more of such provisions are in conflict with applicable federal or North Carolina laws, those conflicting provisions shall be deemed never to have constituted a part of this Indenture; provided, however, that such a determination by the Board shall not affect or impair any of the remaining provisions of this Indenture or render invalid or improper any action taken or omitted (including but not limited to the election of Trustees) prior to such determination.

15.7 Adoption by Local Government Units; Written Investment Policies of Participants; Resignation and Withdrawal of Participants.

(a) Any Local Government Unit meeting the requirements hereof may become a Participant of the Trust by:

(i) taking all required official action to adopt a resolution authorizing the execution of the Interlocal Agreement and this Indenture and providing a certified copy of such to the Board; and

(ii) executing an amendment or joinder agreement to the Interlocal Agreement and providing a certified copy of such to the Board.

(b) Such Local Government Unit shall execute and deliver an original executed counterpart of an amendment or joinder agreement to this Indenture.

(c) By joining in this Indenture, each Participant represents and agrees that to the extent it maintains a written investment policy, such investment policy shall permit the investment of such Participant's funds consistent with the provisions of this Indenture and the Permitted Investments list, as each of the same is amended from time to time.

(d) Any Participant may resign and withdraw from the Trust by sending written notice of such withdrawal to the Administrator and requesting the redemption of all Shares then held by it. Such resignation and withdrawal shall become effective upon withdrawal of the funds. No resignation and withdrawal by a Participant shall operate to annul this Indenture or terminate the existence of the Trust.

MEMORANDUM

TO: Catawba County Board of Commissioners
FROM: Policy and Public Works Subcommittee
DATE: April 7, 2025
IN RE: Preliminary Assessment for Langdon Ridge Subdivision Road Improvements

REQUEST:

The Policy and Public Works Subcommittee requests the Board of Commissioners authorize Langdon Ridge Subdivision Road Improvement Project and adopt the project's Preliminary Assessment Resolution.

BACKGROUND:

Resolution #2020-17 created the petition-driven program to upgrade privately maintained secondary roads to meet NCDOT standards, thereby converting road maintenance responsibility from private homeowners to NCDOT. As statutorily permitted, the cost of improvements may be assessed against the property owners and recouped over a 10-year period, through the special assessment process. To participate in the program, a minimum 75 percent of the homeowners to be assessed must voluntarily sign a petition supporting the project. The owners who sign the petition must account for at least 75 percent of the road frontage to be improved through the assessment.

Langdon Ridge subdivision is located at the end of Langdon Road in unincorporated Catawba County. The property owners of that portion of Langdon Ridge subdivision fronting on Langdon Road filed with the Utilities & Engineering Department a petition for improving the streets. The portion of Langdon Ridge subdivision included in the petition consists of eight (8) lots. A petition was signed by the property owners of all eight (8) lots representing approximately 836.64 lineal feet (100%) of total frontage.

NCDOT staff prepared the scope of work and County staff prepared the cost estimate to bring the roads up to NCDOT standards. A letter from NCDOT stating the roads will be recommended for acceptance into the Secondary Road Maintenance Program once improved is attached.

ANALYSIS:

The street is approximately 29 years old and is generally in poor condition for pavement of this age. To bring the roads up to North Carolina Department of Transportation standards, objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt. The cost of this work is estimated to be between \$35,000 and \$40,000, or about \$4,375.00 to \$5,000.00 per lot. The final cost and per lot assessment remains unknown until the project is bid and constructed.

The table below summarizes the statutory process for establishing private road assessments and, for the items that have already been completed, provides the dates on which the Board of Commissioners took each required action. The table also outlines the remaining steps the Board will still need to take to implement the assessment (*noted in italics*).

NCGS §	Date	Action Items
153A-205	2/18/2025	Citizens petition BOC with >75% of property owners & >75% of road frontage.
153A-190 & 153A-191	4/7/2025	BOC accepts Citizen Petition, makes funding decision and adopts Preliminary Resolution describing the Project, financing and setting time for Public Hearing.
153A-192	5/5/2025	<i>BOC holds Public Hearing on Preliminary Assessment Resolution.</i>
153A-192	5/5/2025	<i>BOC considers adopting Final Resolution approving Project, setting financing terms.</i>
143-131	<i>tbd</i>	<i>Project is bid in accordance with NC Procurement Procedures.</i>
143-131	<i>tbd</i>	<i>Bid awarded.</i>
153A-193 & 194	<i>tbd</i>	<i>BOC determines Project Total Cost, sets date and time for Public Hearing on the Preliminary Assessment Rolls.</i>
153A-195	<i>tbd</i>	<i>BOC holds Public Hearing on the Preliminary Assessment Rolls annuals, confirms Preliminary Assessment Rolls. If confirmed, Tax Administrator is authorized to collect assessment fees in same manner as property taxes.</i>

ALTERNATIVES:

The alternative to adopting the Preliminary Assessment Resolution is to deny it and not offer public financing of private road improvements.

RECOMMENDATION:

The Policy and Public Works Subcommittee recommends the Board of Commissioners authorize Langdon Ridge Subdivision Road Improvement Project and adopt the project's Preliminary Assessment Resolution.

Attachments: Preliminary Assessment Resolution for Langdon Ridge Subdivision
NCDOT Letter
Certificate of Sufficiency of Petition
Map of Langdon Ridge Subdivision

LANGDON RIDGE



catawba county

Parcels

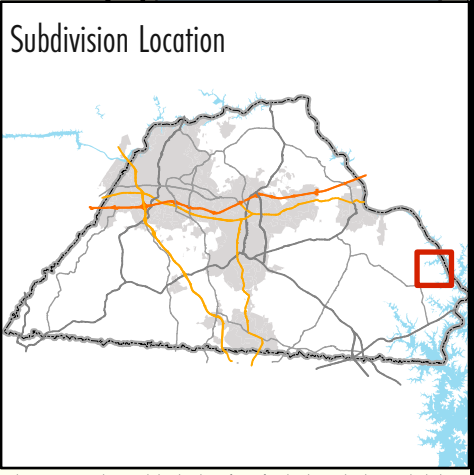
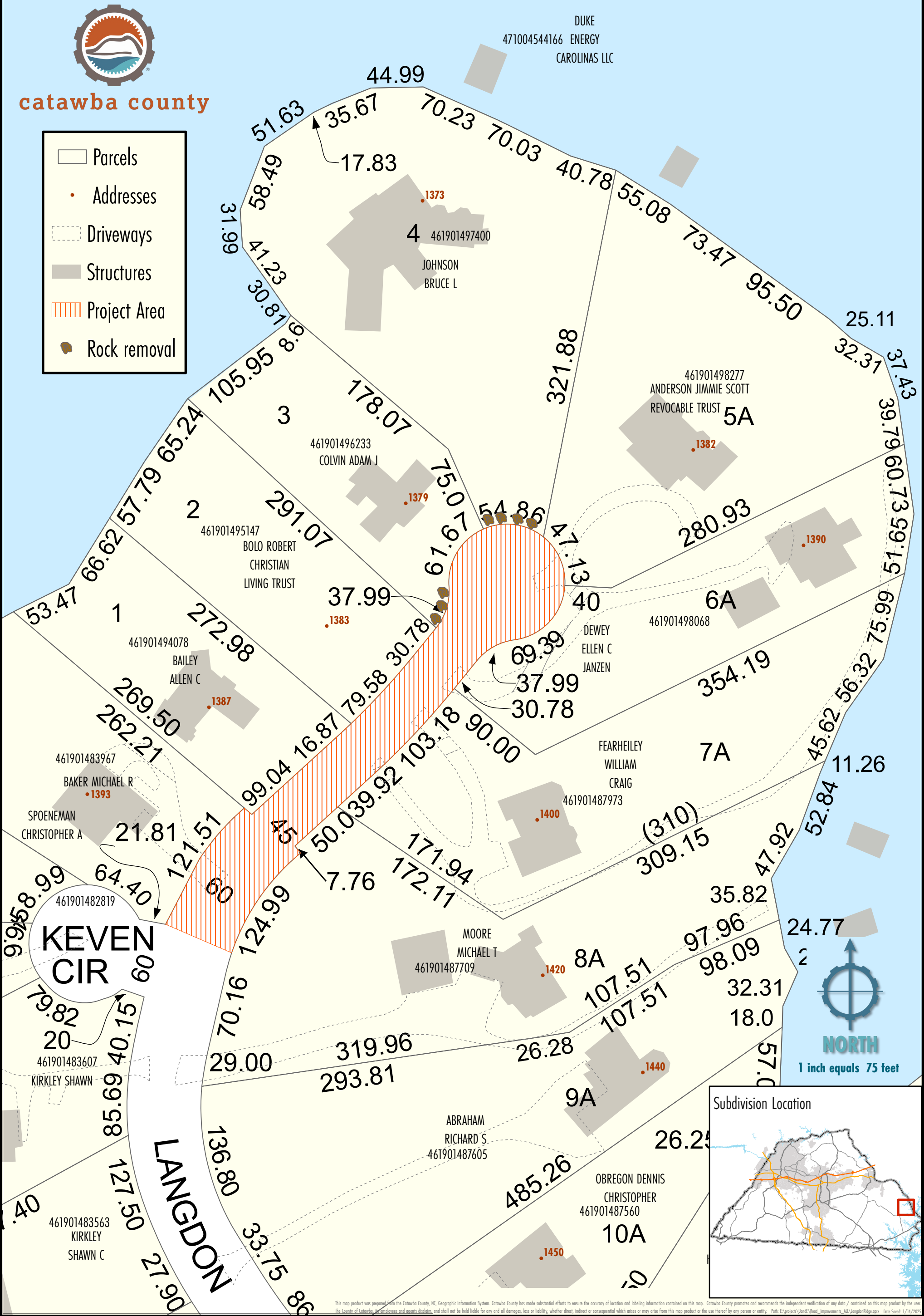
Addresses

Driveways

Structures

Project Area

Rock removal



This map product was prepared from the Catawba County, NC Geographic Information System. Catawba County has made substantial efforts to ensure the accuracy of location and labeling information contained on this map. Catawba County promotes and recommends the independent verification of any data / contained on this map product by the user. The County of Catawba, its employees and agents disclaim, and shall not be held liable for any and all damages, loss or liability, whether direct, indirect or consequential which arises or may arise from this map product or the use thereof by any person or entity. Path: E:\gis\proj\LangdonRidge.aprx. Data Source: 1/14/2023

RESOLUTION No. 2025-

PRELIMINARY ASSESSMENT RESOLUTION
FOR STREET IMPROVEMENT PROJECT
FOR LANGDON RIDGE SUBDIVISION
APRIL 7, 2025

WHEREAS, street maintenance and deterioration is a concern that affects residents of Catawba County neighborhoods and subdivisions; and

WHEREAS, at its meeting held on September 8, 2020, the Catawba County Board of Commissioners resolved (Resolution # 2020-17) to take an active role in efforts to make street repair assistance available to citizens when other alternatives are not feasible, in accordance with Chapter 153A Article 9 of the North Carolina General Statutes; and

WHEREAS, on the 18th day of February 2025, the property owners of Langdon Ridge subdivision at the end of Langdon Road filed with the Catawba County Utilities and Engineering Department a petition for improving the streets in the following manner:

Objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt; and

WHEREAS, the Director of Utilities and Engineering for Catawba County has certified to the Catawba County Board of Commissioners that said petition is sufficient in all respects, the same having been duly signed by more than seventy-five percent (75%) of the affected owners, whose property represents more than seventy-five percent (75%) of all the lineal feet of frontage of the lands abutting upon the streets or portion of streets hereinabove described.

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners:

1. The above mentioned petition is found to be sufficient in all respects.
2. It is intended that a portion of Langdon Road within Langdon Ridge subdivision be improved in the following manner:

Objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt;

under and by virtue of Chapter 153A Article 9 of the General Statutes of North Carolina and the procedure therein established for acceptance into the NCDOT State system for highway maintenance.

3. One hundred percent (100%) of the total cost of said improvement, be hereafter assessed upon the property receiving the improvements (according to the assessment basis set out in the petition):

The property owners of Langdon Ridge subdivision fronting on Langdon Road.

4. Within 30 days of publication of notice of confirmation of the final assessment role, the assessments shall be payable in full, or if any property owner shall so elect, such owner shall have the option of paying the assessment in ten (10) equal annual installments, said installments to bear interest at the proposed rate of 1.5% percent per annum.

5. A public hearing on all matters covered by this resolution shall be held at 7:00 p.m. on the 5th day of May, 2025, in the Board of Commissioners Meeting Room, 2nd floor of the Catawba County Justice Center, 100 Government Dr. in Newton, North Carolina.

BE IT FURTHER RESOLVED that a copy of the Notice of Preliminary Assessment Resolution and Public Hearing provided for in NCGS § 153A-191 be published in the Hickory Daily Record as described in said subsection of said General Statutes.

The County, and its officers, agents and attorneys are hereby directed to take any further actions as may be required by the laws of the State of North Carolina to perform the matters and things directed by this Resolution.

Adopted the 7th day of April, 2025.

[Seal]

C. Randall Isenhower, Chairman
Catawba County Board of Commissioners

Attest:

Dale Stiles, Clerk
Catawba County Board of Commissioners

CERTIFICATE AS TO SUFFICIENCY
OF PETITION FOR IMPROVEMENT

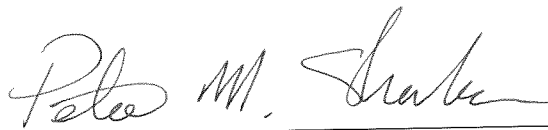
TO: THE CATAWBA COUNTY BOARD OF COMMISSIONERS

I, Peter Shonka, Director of Utilities and Engineering for Catawba County, North Carolina, do hereby certify that the attached petition of property owners for the improvement Langdon Ridge Subdivision was lodged with me on the 18th day of February 2025; that I have investigated the sufficiency of the said petition; and that the result of my investigation is as follows:

1. The total number of owners of the lands abutting upon the street or streets or part of street or streets proposed by the said petition to be improved is 8. The number of said owners who signed the petition is 8 a number equal to greater than 75 percent.
2. The total number of lineal feet of frontage of said lands upon the street or streets or part of street or streets proposed by the said petition to be improved is 836.64 feet. The number of the said lineal feet of frontage represented by the property of the said owners who signed the petition is 836.64 feet, a distance equal to greater than 75 percent or the frontage of the lands abutting the area to be improved.
3. I find that the said petition is in all respects sufficient and in conformity with all the requirements of Chapter 153A-205 of the General Statutes of North Carolina. I find also that the street (or streets) (or part of a street or streets) proposed by the said petition to be improved is (or are) or has been (or have been) definitely laid out, and that the boundaries of the same have been definitely fixed.

IN WITNESS THEREOF, I affix my hand and seal.

This the 7th day of March, 2025.



Peter M. Shonka, Director Utilities and Engineering



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JOSH STEIN
GOVERNOR

JOEY "J.R." HOPKINS
SECRETARY

March 7, 2025

Mr. Pete Shonka, P.E.
Utilities & Engineering Director
25 Government Drive
Newton, NC 28658

Dear Mr. Shonka,

This letter is in response to your inquiry about the acceptance of Langdon Ridge Subdivision in Catawba County. Once all items on the scope of work have been corrected and the District Office has confirmed that the repairs meet NCDOT's Minimum Standards for Addition. The District Office will move forward with the addition paperwork for the streets within Langdon Ridge Subdivision that meet those minimum standards and then submit and recommend the streets for addition to NCDOT's Secondary Road Maintenance System. If you have any further question please let us know.

Sincerely,

DocuSigned by:
Travis R Jordan
3736B5E303564F6...

Travis R Jordan, P.E.
District Engineer
Division 12, District 3

TRJ:jl
Cc: file

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Chris Timberlake, Planning Director

DATE: April 7th, 2025

IN RE: Map Review Officer Designation

REQUEST

Staff requests the Catawba County Board of Commissioners amend the list of Map Review Officers by adoption of the attached resolution.

BACKGROUND

On July 17, 1997, the General Assembly ratified SB 875 - Maps and Plats Law. This law requires all counties to appoint Review Officers who would review each plat or map before it is recorded and certify that it meets the statutory requirements for mapping. The law states that individuals have to be appointed by name, not by job title, so that any time a change occurs in staffing, a new Review Officer has to be appointed and approved by resolution of the Board of Commissioners and subsequently recorded in the Register of Deeds Office.

Town of Maiden is requesting that Lisa Johnson be removed as a review officer.

With approval of the attached resolution incorporating the changes noted above, the active list of Review Officers will be:

Catawba County:	Chris Timberlake, Madison Whisnant, Laurie LoCicero, Maggie Gaughan and Frances Darnall
City of Hickory:	Brian Frazier, Cal Overby, Mike Kirby, and Wilson Elliott
City of Newton:	Randy Williams and Alex S. Fulbright
City of Conover:	Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting
City of Claremont:	Bryce Carter
Town of Long View:	Charles T. Mullis
Town of Maiden:	Blake Wright
Town of Catawba:	John E. Wear, Teresa Kinney, and Ashley Young
Town of Brookford:	Marshall Eckard

RECOMMENDATION

Staff recommends the Catawba County Board of Commissioners amend the list of Map Review Officers by adoption of the attached resolution.

RESOLUTION #2025-__
APPOINTMENT OF MAP REVIEW OFFICERS

WHEREAS, S.L. 1997-309 (SB875) made a number of significant changes in the procedures for recording maps and plats; and

WHEREAS, the main purpose of the law was to transfer the responsibility for reviewing plats to determine whether they meet recording requirements from the Register of Deeds to a Review Officer; and

WHEREAS, G.S. 47-30.2 requires the Board of County Commissioners in each County, by resolution, to appoint a person or persons to serve as Review Officer to review each plat or map before it is recorded and certify that it meets the statutory requirements for recording; and

WHEREAS, it is the desire of the Catawba County Board of Commissioners to insure an expeditious review of all maps and plats as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording; and

WHEREAS, the Catawba County Board of Commissioners on February 17th, 2025, adopted Resolution #2025-07 which included names of individuals who were appointed as Review Officers for representative jurisdictions in Catawba County; and

WHEREAS, said Resolution was recorded in the Office of the Register of Deeds in Book 3924 Pages 0591-0592; and

WHEREAS, staffing changes have occurred in the Town of Maiden which necessitate an amendment to the approved list of Map Review Officers.

NOW THEREFORE, BE IT RESOLVED, that Lisa Johnson is hereby removed from the list of appointed Review Officers for the Town of Maiden.

With the above change, the comprehensive list of Map Review Officers is as follows:

Catawba County:	Chris Timberlake and Madison Whisnant, Laure LoCicero, Maggie Gaughan and Frances Darnall
City of Hickory:	Brian Frazier, Cal Overby, Mike Kirby, Wilson Elliott
City of Newton:	Randy Williams and Alex S. Fulbright
City of Conover:	Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting
City of Claremont:	Bryce Carter
Town of Long View:	Charles T. Mullis
Town of Maiden:	Blake Wright
Town of Catawba:	John E. Wear, Teresa Kinney, and Ashley Young
Town of Brookford:	Marshall Eckard

AND BE IT FURTHER RESOLVED that a copy of this Resolution designating the Review Officers be recorded in the Catawba County Register of Deed's Office and indexed in the names of the Review Officers.

Adopted this the 7th day of April 2025.

C. Randall Isenhower, Chair
Catawba County Board of Commissioners

(SEAL)

ATTEST: _____

Name: Dale R. Stiles

Title: County Clerk

STATE OF NORTH CAROLINA
COUNTY OF CATAWBA

NOTARY ACKNOWLEDGMENT

I, _____, a Notary Public of said County and State, certify that Dale R. Stiles, with whom I am personally acquainted, personally came before me this day and who, being by me duly sworn, says she is the County Clerk to the Catawba County Board of Commissioners, a body politic; and that foregoing instrument was signed in it name by the Chair of the Catawba County Board of Commissioners, attested by her as Clerk and sealed with its corporate seal, all by order and authority duly given, and that the said instrument is the act and deed of Catawba County.

WITNESS my hand and official seal this the _____ day of _____, 2025.

(SEAL)

Notary Public

Print Name: _____

My commission expires: _____

MEMORANDUM

TO: Catawba County Board of Commissioners
FROM: Jodi Stewart, County Attorney
DATE: April 7, 2025
SUBJECT: Termination of Lease for Medical Office Building at 3900 Terrell Park Drive

Request

At the request of Catawba Valley Medical Center (CVMC), staff requests the Board of Commissioners approve Termination of the Ground Lease and related Memorandum for CVMC's medical office building in Sherrills Ford.

Background

In 2018, the Board of Trustees of CVMC purchased a parcel of land located at 3900 Terrell Park Drive. The parcel is located near the intersection of Slanting Bridge Road and E NC 150, across Village Center N. from what is now the Publix Grocery Store. The goal in acquiring the parcel was to develop a medical office building for use by the Family Medicine Practice in Sherrills Ford operated by Catawba Valley Medical Group, Inc., ("CVMG") and perhaps other health care providers.

CVMC and project developer Summit Healthcare Group, LLC determined the preferred structure for financing and developing the medical office building was for CVMC and the County to enter into a Ground Lease with an entity affiliated with Summit, SMP Sherrills Ford, LLC ("SMP"), for a term not to exceed ninety-nine (99) years. The County, as owner of the real property, had to approve and sign the Ground Lease.

At the same time, CVMC and SMP entered into a construction loan agreement, with CVMC both lending the funds necessary to build the medical office building to SMP and obtaining a Deed of Trust covering the Ground Lease securing the loan. CVMC simultaneously entered into a Building Lease for the entire building with SMP, with rent not beginning until the building was occupied.

CVMC retained a right of first offer and first refusal on SMP's property rights under the Ground Lease, and also secured an option to buy the building, which has been exercised. CVMC now owns the building and land unencumbered.

CVMC Attorney Mike Thomas of Patrick Harper Dixon has prepared and reviewed the Memorandum and Termination of Lease, along with Summit's attorney.

Recommendation

At the request of Catawba Valley Medical Center, staff recommends the Board of Commissioners approve Termination of the Ground Lease and related Memorandum for the medical office building in Sherrills Ford.

TERMINATION OF GROUND LEASE AGREEMENT

This **TERMINATION OF GROUND LEASE AGREEMENT** is made as of the _____ day of _____, 2025, by and between CATAWBA COUNTY, o/b/o CATAWBA VALLEY MEDICAL CENTER (the “**Lessor**”) and SMP SHERRILLS FORD, LLC (the “**Lessee**”).

RECITALS

WHEREAS, the Lessor and the Lessee entered into that certain Ground Lease Agreement, dated as of June 29, 2021 (the “**Ground Lease**”), pursuant to which the Lessor leased certain real property more specifically set forth in the Ground Lease, located at 3900 Terrell Park Drive, Sherrills Ford, NC (the “**Property**”) to Lessee;

WHEREAS, the Lessor has exercised its Option to Purchase provided for in Section 13.3 of the Ground Lease, and the Lessor and Lessee wish to terminate the Ground Lease effective as of the date hereof; and

WHEREAS, capitalized terms used but not defined herein shall have the same meaning assigned to such terms in the Ground Lease.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Ground Lease and all leasehold right, title and interest of Lessee in and to the Property is hereby terminated.
2. The Lessee is hereby released from all liability and shall have no further obligations to the Lessor under the Ground Lease or any other prior agreements relating to the Property or the Project between the Lessor and the Lessee.
3. The Lessor shall execute a Satisfaction of Security Instrument for the Construction Leasehold Deed of Trust Securing Future Advances, Security Agreement and Assignment of Leases and Rents, which shall be recorded in the Catawba County Registry in conjunction with the Lessor’s purchase of the Property.
4. Lessor and Lessee represent to the other that (a) the execution and delivery of this Termination of Ground Lease Agreement has been duly authorized by them, (b) each of the persons executing it on their behalf is fully authorized to execute it, and (c) upon execution and delivery hereof, it will be a valid, legal and binding obligation of the party having executed and delivered it, enforceable against them in accordance with its terms, subject only to the effect of any bankruptcy, insolvency, or similar laws, affecting creditors’ rights generally and to general principles of equity.

5. Notwithstanding anything herein or in another agreement between the Lessor and Lessee to the contrary, no incorporator, director, member, or officer, as such, past, present or future of the Lessee or of any member thereof, or any incorporator, director, manager, member or officer of any successor entity, as such, either directly or through the Lessee or any member thereof, or any successor entity or otherwise (the “**Exculpated Parties**”), shall have any liability hereunder or under any other agreement between the Lessor and Lessee and no recourse under or upon any obligation, covenant, representation or agreement contained in this Termination of Ground Lease Agreement or any other such agreement, including any obligations of indemnity, shall be had against any of the Exculpated Parties for any liability hereunder including, without limitation, the payment for or to the Lessee or any receiver thereof of any sum that may be due and unpaid by the Lessee under this Agreement, notwithstanding the survival of any obligation of the Lessee beyond the term thereof, it being specifically agreed that the liability of Lessee hereunder shall be “non-recourse,” and accordingly, the sole source of satisfaction of its obligations hereunder shall be limited to its interest in the Property, all insurance directly relating to the Property, and the rents, issues and surpluses relating thereto.

6. The parties agree that this Termination of Ground Lease Agreement shall be binding upon and inure to the benefit of themselves and their respective successors and assigns.

7. This Termination of Ground Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

[The remainder of this page intentionally left blank; Signature Pages follow]

IN WITNESS WHEREOF, the parties have executed this Termination of Ground Lease Agreement effective as of the date first above written.

LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba Valley Medical Center, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

My Commission Expires: _____ Notary Public

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

By: _____
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that Joseph S. Joseph, Jr., as Manager of Summit Healthcare Group, LLC, a North Carolina limited liability company, Manager of SMP Sherrills Ford, LLC, a North Carolina limited liability company, personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

My Commission Expires: _____ Notary Public

Prepared by and return to: Adrienne E. Poe, POB 3463, GSO, NC 27402

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

**TERMINATION OF MEMORANDUM OF GROUND LEASE
IN BOOK 3671 AT PAGE 1600**

This **TERMINATION OF MEMORANDUM OF LEASE** is made as of the _____ day of _____, 2025 (the "Effective Date"), by and between **CATAWBA COUNTY, a North Carolina body politic, o/b/o CATAWBA VALLEY MEDICAL CENTER ("Lessor")** and **SMP SHERRILLS FORD, LLC, a North Carolina limited liability company ("Lessee")**.

W I T N E S S E T H

WHEREAS, Lessor and Lessee entered into a Ground Lease Agreement dated June 29, 2021 (together with all amendments thereto, the "Lease");

WHEREAS, Lessor and Lessee executed a Memorandum of Ground Lease, which is recorded in Book 3671, Page 1600, Catawba County Registry (the "Memorandum"); and

WHEREAS, the Lessor has purchased the property described in the Lease from Lessee, and the Lessor and Lessee have executed a Termination of Ground Lease Agreement, and desire to terminate the Memorandum.

NOW THEREFORE, Lessor and Lessee agree as follow:

1. Lessor and Lessee authorize the filing of this Termination of Memorandum of Ground Lease in the Catawba County Register of Deeds office.
2. Lessor and Lessee acknowledge and agree that the Memorandum is hereby terminated and released of record.

[Signature pages follow.]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Termination of Memorandum of Ground Lease as of the date first above written.

LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

My Commission Expires: _____ Notary Public

[SIGNATURE PAGE TO TERMINATION OF MEMORANDUM OF GROUND LEASE]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba Valley Medical Center, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public

My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF MEMORANDUM OF GROUND LEASE]

LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

By: [Signature]
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF Guilford

I certify that Joseph S. Joseph, Jr., as Manager of Summit Healthcare Group, LLC, a North Carolina limited liability company, Manager of SMP Sherrills Ford, LLC, a North Carolina limited liability company, personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this 27 day of March, 2025.

[Signature] Notary Public
My Commission Expires: 7/8/26

