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**CITY OF ROCKY MOUNT, NORTH CAROLINA**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**

as Trustee

**SERIES INDENTURE, NUMBER 1**

Dated as of  
December 1, 2016

**City of Rocky Mount, North Carolina  
Special Obligation Bonds,  
Series 2016**

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## **SERIES INDENTURE, NUMBER 1**

**THIS SERIES INDENTURE, NUMBER 1** dated as of December 1, 2016 (together with any supplements and amendments hereto made in accordance herewith, the “Series Indenture”), is by and between the **CITY OF ROCKY MOUNT, NORTH CAROLINA** (the “City”), a municipal corporation of the State of North Carolina and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as trustee (the “Trustee”), duly organized and existing as a national banking association under the laws of the United States of America, acting through its designated corporate trust offices in Jacksonville, Florida, being authorized to accept and execute trusts of the character herein set out under the laws of the State of North Carolina (the “State”).

### **WITNESSETH:**

**WHEREAS**, the City proposes to issue bonds (the “2016 Bonds”) hereunder and under that certain General Trust Indenture dated as of December 1, 2016 (the “General Indenture”) between the City and the Trustee and this Series Indenture, and to apply the proceeds of the 2016 Bonds (1) to finance the acquisition, construction and equipping of the Downtown Community Facility (“DCF”), a multi-purpose event center multipurpose facility in a municipal service district in downtown Rocky Mount, and (2) to pay the costs of issuing the 2016 Bonds.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein it is agreed as follows:

### **ARTICLE I**

#### **DEFINITIONS**

Except as provided herein, all defined terms contained in Section 1.01 of the General Indenture will have the same meanings in this Series Indenture. In addition, the following words and terms, unless the context otherwise requires, have the following meanings:

“Authorized Denomination” means \$5,000 or any integral multiple thereof.

“General Indenture” means the General Trust Indenture dated as of December 1, 2016 between the City and the Trustee, and any amendments and supplements thereto.

“Indenture” means, collectively, the General Indenture and the Series Indenture.

“Interest Payment Date” means each May 1 and November 1, beginning May 1, 2017.

“Mail” means first-class United States mail, postage prepaid.

“Owner,” when used in this Series Indenture, means a registered owner of a 2016 Bond.

“Project” means the acquisition, construction and equipping of a multi-purpose event center known as the Downtown Community Center (“DCF”) located in Rocky Mount Municipal Service District No. 2, including but not limited to the acquisition of land, site preparation, construction of the building, parking, required utility infrastructure and landscaping.

“Record Date” means the 15<sup>th</sup> day of the month next preceding the Interest Payment Date.

“Redemption Date” means the date on which 2016 Bonds have been called for redemption or are to be redeemed under this Series Indenture.

“Redemption Price” means, with respect to any 2016 Bond, the principal amount thereof plus the applicable premium, if any, payable on redemption thereof plus accrued interest to the Redemption Date.

“Series Indenture” means this Series Indenture, Number 1 and any amendments or supplements thereto.

“2016 Bonds” means the \$36,815,000 aggregate principal amount of the City of Rocky Mount, North Carolina Special Obligation Bonds, Series 2016 issued under this Series Indenture.

“2016 Construction Account” means the account by that name in the Construction Fund created under Section 5.2.

“2016 Cost of Issuance Account” means the account by that name in the Construction Fund created under Section 5.2.

“Underwriters” means PNC Capital Markets LLC and Stifel, Nicolaus & Company, Incorporated.

[END OF ARTICLE I]

**ARTICLE II**  
**THE 2016 BONDS**

**Section 2.1 Authorized Amount of 2016 Bonds.** No 2016 Bonds may be issued under the provisions of the Indenture except in accordance with this Article. The total principal amount of 2016 Bonds that may be issued is hereby expressly limited to \$36,815,000.

**Section 2.2 Issuance of 2016 Bonds.** The 2016 Bonds will be designated “City of Rocky Mount, North Carolina Special Obligation Bonds, Series 2016.” The 2016 Bonds will be issuable as fully registered bonds in any Authorized Denomination. 2016 Bonds will be numbered from R-1 consecutively upwards. The 2016 Bonds will be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Series Indenture.

**Section 2.3 Delivery of Bonds.** Before the delivery by the Trustee of any of the 2016 Bonds, the items required under Section 2.4 of the General Indenture must be filed with the Trustee.

**Section 2.4 Details of 2016 Bonds; Payment.**

(a) The 2016 Bonds will mature on May 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

| <u>YEAR OF MATURITY</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> | <u>YEAR OF MATURITY</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> |
|-------------------------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|
| 2019                    | \$ 300,000              | 4.00%                | 2029                    | \$ 2,215,000            | 5.00%                |
| 2020                    | 1,455,000               | 4.00                 | 2030                    | 2,325,000               | 5.00                 |
| 2021                    | 1,510,000               | 4.00                 | 2031                    | 2,440,000               | 4.00                 |
| 2022                    | 1,575,000               | 5.00                 | 2032                    | 1,040,000               | 4.00                 |
| 2023                    | 1,650,000               | 5.00                 | 2032                    | 1,500,000               | 4.50                 |
| 2024                    | 1,735,000               | 5.00                 | 2033                    | 2,645,000               | 4.00                 |
| 2025                    | 1,820,000               | 5.00                 | 2034                    | 2,750,000               | 4.00                 |
| 2026                    | 1,910,000               | 5.00                 | 2035                    | 2,865,000               | 3.50                 |
| 2027                    | 2,005,000               | 5.00                 | 2036                    | 2,965,000               | 3.50                 |
| 2028                    | 2,110,000               | 5.00                 |                         |                         |                      |

Both the principal of and the interest on the 2016 Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2016 Bond shall bear interest until its principal sum has been paid, but if such 2016 Bond has matured or has been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Indenture, such 2016 Bond shall then cease to bear interest as of the maturity date or Redemption Date. On each April 25 and October 25, the City shall pay to the Trustee, for deposit to the Bond Fund, an amount (after taking into consideration amounts then on deposit in the Bond Fund

allocated to pay Interest) equal to the Interest due on the 2016 Bonds on the immediately following Interest Payment Date. On each April 25, the City shall pay to the Trustee, for deposit to the Bond Fund, an amount (after taking into consideration amounts then on deposit in the Bond Fund allocated to pay Principal due with respect to the Bonds) equal to the Principal Installment due on the Bonds on the immediately following May 1.

The 2016 Bonds will be dated as of the date of their delivery, except that 2016 Bonds issued in exchange for or on the registration of transfer of 2016 Bonds will be dated as of the Interest Payment Date preceding the day of authentication thereof, unless (1) the date of such authentication precedes May 15, 2017, in which case they will be dated as of date of their delivery or (2) the date of such authentication is an Interest Payment Date to which interest on the 2016 Bonds has been paid in full or duly provided for in accordance with the terms of this Series Indenture, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2016 Bonds is in default, 2016 Bonds executed and delivered in exchange for or on registration of transfer of 2016 Bonds will be dated as of the date to which interest on the 2016 Bonds has been paid in full. If no interest has been paid on the 2016 Bonds, 2016 Bonds executed and delivered in exchange for or on the registration of transfer of 2016 Bonds will be dated the date of initial authentication and delivery thereof.

(b) The 2016 Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2016 Bonds made to the public. One definitive 2016 Bond for each maturity is to be delivered to The Bank of New York Mellon Trust Company, N.A. on behalf of The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2016 Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2016 Bonds. Beneficial ownership interests in the 2016 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2016 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2016 Bonds. Transfers of ownership interests in the 2016 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE 2016 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2016 BONDS FOR ALL PURPOSES UNDER THE GENERAL INDENTURE AND THIS SERIES INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2016 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE GENERAL INDENTURE OR THIS SERIES INDENTURE.

Payments of principal, interest and premium, if any, with respect to the 2016 Bonds, so long as DTC is the only Owner of the 2016 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representations dated July 18, 1995 from the City to DTC (the "Letter of Representation"). DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Trustee and the City are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the 2016 Bonds or (b) the Trustee and the City determine to discontinue the book-entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2016 Bonds in accordance with DTC's rules and procedures.

THE CITY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2016 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE GENERAL INDENTURE OR THIS SERIES INDENTURE TO BE GIVEN TO OWNERS; (D) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2016 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & Co., AS OWNER.

(c) The 2016 Bonds and any premiums on the redemption thereof prior to maturity are payable in any lawful coin or currency of the United States of America, at the designated corporate trust office of the Trustee on presentation and surrender. Interest on the 2016 Bonds will be paid by the Trustee by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close of business on the Record Date next preceding an Interest Payment Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2016 Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2016 Bonds, whether by check or by wire transfer.

(d) The Trustee is appointed as the Paying Agent, Authentication Agent and Registrar for the 2016 Bonds.

**Section 2.5 Arbitrage and Tax Covenants.** The City covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from federal income taxation of the interest on the 2016 Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the City will take or cause to be taken all lawful

actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The City acknowledges that the continued exclusion of interest on the 2016 Bonds from an Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The City covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2016 Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2016 Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code.

**Section 2.6 Notification of Rating Agency; LGC.** The Trustee hereby agrees to promptly notify the LGC, Moody's, if the 2016 Bonds are rated by Moody's, Fitch, if the 2016 Bonds are rated by Fitch and S&P, if the 2016 Bonds are rated by S&P, at the address set forth in Section 5.6, of (1) any appointment of a successor Trustee (which notice shall be given by the substitute trustee), (2) any amendment or supplement to the General Indenture or this Series Indenture, (3) any provision for payment of the 2016 Bonds in accordance with Article X of the General Indenture and (4) the giving of notice of the call for redemption of any 2016 Bonds under Section 3.3.

[END OF ARTICLE II]

## ARTICLE III

### REDEMPTION OF 2016 BONDS

**Section 3.1 Optional Redemption of 2016 Bonds.** The 2016 Bonds maturing on or before May 1, 2026 are not subject to call and redemption before maturity. The 2016 Bonds maturing on or after May 1, 2027 may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date on or after May 1, 2026. The 2016 Bonds called for redemption under this Section shall be redeemed at a Redemption Price equal to the par amount of the 2016 Bonds plus accrued interest thereon to the date of redemption.

**Section 3.2 Notice of Redemption.** Not less than 30 days nor more than 60 days before the Redemption Date, the Trustee shall give notice of redemption by first class mail, postage prepaid (or, in the case of notice to DTC, by registered or certified mail or otherwise in accordance with DTC's then-existing rules and procedures) (1) to DTC or its nominee or to the then-existing securities depositories, or (2) if DTC or its nominee or another securities depository is no longer the Owner of the 2016 Bonds, to the then-registered Owners of the 2016 Bonds to be prepaid at their addresses appearing on the registration books maintained by the Trustee, (3) to the LGC, and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2016 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be a designated office of the Paying Agent) and if less than all of the 2016 Bonds are to be redeemed, the numbers of the 2016 Bonds and the portions of 2016 Bonds to be redeemed, (2) state that on the Redemption Date, the 2016 Bonds to be redeemed will cease to bear interest and (3) state, if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the manner in which Owners will be notified if the conditions precedent to a redemption do not occur. If notice is given, the failure to receive such notice or any defect therein will not affect the validity of any proceedings for such redemption, and failure to give notice to all Owners will not affect the validity of any proceedings with respect to any Owner to whom such notice is properly given. Any notice mailed as provided in this Section will be conclusively presumed to have been given, whether or not the Owner receives the notice. If at the time of mailing of notice of redemption there is not on deposit with the Trustee money sufficient to redeem the 2016 Bonds called for redemption, which money is or will be available for redemption of the 2016 Bonds, such notice will state that it is conditional on the deposit of the redemption money with the Trustee on or before the Redemption Date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

If money is on deposit in the Bond Fund to pay the Redemption Price of the 2016 Bonds called for redemption and premium, if any, thereon on a Redemption Date, 2016 Bonds or portions thereof thus called and provided for as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the General Indenture other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2016 Bonds or portions thereof called for redemption until such 2016 Bonds or portions thereof have been delivered for payment or cancellation or the Paying

Agent has received the items required by Section 3.5 of the General Indenture with respect to any mutilated, lost, stolen or destroyed 2016 Bonds.

Notwithstanding anything to the contrary herein, the Trustee shall not be deemed or considered to be a disclosure/dissemination agent for purposes of the Rule (as defined herein) in connection with any notice posted by it with the MSRB, unless the Trustee has specifically agreed to act in such a capacity pursuant to a separate written agreement.

**Section 3.3 Selection of 2016 Bonds To Be Redeemed.** In the case of any partial redemption of 2016 Bonds, the City will select the maturity or maturities of the 2016 Bonds to be redeemed and DTC will select the 2016 Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Trustee will select the 2016 Bonds to be redeemed by lot in such manner as the Trustee in its discretion may deem proper. For this purpose, each Authorized Denomination of principal amount represented by any 2016 Bond will be considered a separate 2016 Bond for purposes of selecting the 2016 Bonds to be redeemed. Immediately on selection of the 2016 Bonds to be redeemed the Trustee shall notify the Registrar of the specific 2016 Bonds to be redeemed.

If a 2016 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2016 Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2016 Bond is equal to an Authorized Denomination. For any 2016 Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2016 Bond as representing a single 2016 Bond in the minimum Authorized Denomination plus that number of 2016 Bonds that is obtained by dividing the remaining principal amount of such 2016 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2016 Bond is to be called for redemption, then, on notice of intention to redeem such Authorized Denominations of principal amount of such 2016 Bond, the Owner of such 2016 Bond, on surrender of such 2016 Bond to the Paying Agent for payment of the principal amount of such 2016 Bond, will be entitled to receive new 2016 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2016 Bond. New 2016 Bonds representing the unredeemed balance of the principal amount of such 2016 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2016 Bond of a denomination greater than the amount being redeemed fails to present such 2016 Bond to the Paying Agent for payment and exchange as aforesaid, such 2016 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

**Section 3.4 No Partial Redemption After Default.** Anything in this Series Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the Bonds Outstanding.

**Section 3.5 Payment of Redemption Price.** The City will cause to be deposited in the Bond Fund an amount sufficient to pay the Redemption Price of 2016 Bonds to be redeemed on

the Redemption Date, and such 2016 Bonds will be deemed to be paid within the meaning of Article X of the General Indenture.

[END OF ARTICLE III]

## ARTICLE IV

### APPLICATION OF 2016 BOND PROCEEDS; FUNDS AND ACCOUNTS; INVESTMENTS

**Section 4.1 Application of 2016 Bond Proceeds and Other Funds.** On delivery of the 2016 Bonds to the Underwriter, the Underwriter will transfer to the Trustee an amount equal to \$40,138,968.35, which is equal to \$36,815,000.00, the par amount of the 2016 Bonds, plus net original issue premium in the amount of \$3,477,486.90 less the Underwriter's discount in the amount of \$153,518.55. The Trustee will dispose of the proceeds by depositing \$39,613,968.35 in the 2016 Construction Account of the Construction Fund and \$525,000.00 in the 2016 Cost of Issuance Account of the Construction Fund.

**Section 4.2 Funds and Accounts.** The City hereby establishes and creates a 2016 Construction Account within the Construction Fund and a 2016 Cost of Issuance Account within the Construction Fund. The Trustee shall deposit into the 2016 Construction Account of the Construction Fund and the 2016 Cost of Issuance Account of the Construction Fund (1) that portion of the proceeds of the 2016 Bonds set forth in Section 5.1 and (2) all other money received by the Trustee under this Series Indenture and the General Indenture accompanied by directions from the City that such money is to be deposited into the applicable account of the Construction Fund. Earnings on investments of funds held in the Construction Fund will remain within the applicable account of the Construction Fund. Money will be disbursed from the 2016 Construction Account and the 2016 Cost of Issuance Account in accordance with the procedures outlined in Section 4.3(b) of this Series Indenture.

The City will not establish an account within the Debt Service Reserve Fund for the benefit of the 2016 Bonds.

#### **Section 4.3 Application of Construction Fund.**

(a) The 2016 Construction Account will be applied for any of the following purposes:

(1) the payment of all Costs of the Project other than Costs of Issuance in the manner and subject to the restrictions provided in subsection (c) of this Section; and

(2) transfer to the Bond Fund to make up any deficiency therein in accordance with the priorities established in Section 5.4 of the General Indenture.

(b) The 2016 Cost of Issuance Account will be applied to pay Costs of Issuance.

(c) Except as described in Section 4.3(e) of this Series Indenture, on the filing from time to time with the Trustee of a requisition signed by a City Representative in substantially the form attached hereto as Exhibit B, accompanied by a voucher or other appropriate documentation with respect to Costs of the Project and, as to disbursements other than for Costs of Issuance, stating by general classification the purpose for which each disbursement is to be made and that such work was actually performed, such service was actually rendered or such materials, supplies or equipment actually delivered, installed

or fabricated, the Trustee will make or cause to be made a disbursement from the 2016 Construction Account or the 2016 Cost of Issuance Account for the payment of such Costs of the Project.

(d) Any balance remaining in the 2016 Cost of Issuance Account on January 31, 2017 will be transferred to the 2016 Construction Account.

(e) On receipt of a requisition signed by a City Representative in substantially the form attached hereto as Exhibit B, the Trustee will transfer from the 2016 Construction Account into a separate account of the Construction Fund to be held by the City an amount which in the aggregate may not exceed \$500,000, at one time or from time to time, to be used by the City as a revolving fund for the payment of items of Cost of Construction which cannot conveniently be paid as provided in Section 4.3(c) of this Series Indenture. Such money will be deemed to be a part of the Construction Fund until paid out. The Trustee will apply money in the 2016 Construction Account to reimburse the revolving fund from time to time for items of Cost of Construction paid with money in the revolving fund on receipt from the City of a requisition signed by a City Representative in substantially the form attached hereto as Exhibit B for the payment or reimbursement of items of Costs of the Project, which requisition will specify the payee, the amount and purpose by general classification of each payment from the revolving fund for which such reimbursement is requested and state that each such item of Cost of Construction so paid was a necessary item of Costs of the Project. The Trustee is not responsible for funds held by the City in the separate account described in this paragraph.

(f) In the event that the City provides evidence satisfactory to the Trustee that the City has obtained new markets tax credits to provide funding for a portion of the Costs of the Project, upon receipt of a requisition signed by a City Representative in substantially the form attached hereto as Exhibit B, the Trustee will transfer from the 2016 Construction Account to a “leverage lender” identified by the City an amount identified by the City, to be held in a separate account by or on behalf of a qualified active low income borrower (the “NMTC Borrower”), to be used by the NMTC Borrower to pay a portion of the Costs of the Project. Such money will be deemed to be a part of the Construction Fund until paid out. The Trustee is not responsible for funds held by or for the benefit of the NMTC Borrower in the separate account described in this paragraph.

(g) On the completion of all improvements financed with the proceeds of the 2016 Bonds, the City will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of the Project have been determined and paid (or that all of such Costs of the Project have been paid less specified claims which are subject to dispute and for which a retention in the 2016 Construction Account is to be maintained in the full amount of such claims until such dispute is resolved). On the receipt by the Trustee of such certificate, the Trustee will retain in the 2016 Construction Account a sum equal to the amount estimated by the City to be necessary for payment of the items of Cost of Construction that are not then due and payable. The balance remaining in the 2016 Construction Account will be deposited in the Bond Fund and applied to the next payment due with respect to the 2016 Bonds.

## ARTICLE V

### ADDITIONAL COVENANTS

The City agrees, in accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2017, to the MSRB, the audited financial statements of the City for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the City for such Fiscal Year to be replaced subsequently by audited financial statements of the City to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2017, to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included (i) under the captions “**SECURITY FOR THE BONDS**” in [the table titled “**COVERAGE OF SPECIAL OBLIGATIONS**” on an historical basis and (ii) under the headings “**INFORMATION CONCERNING THE CITY- Debt Information**” and “**—Tax Information**”(excluding information on underlying units) in Appendix A in the Official Statement dated December 14, 2016;

(c) in a timely manner not in excess of 10 Business Days after the occurrence of the event, to the MSRB notice of any of the following events with respect to the 2016 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events affecting the tax status of the 2016 Bonds;

- (7) modification of the rights of the Beneficial Owners of the 2016 Bonds, if material;
- (8) call of any of the 2016 Bonds, if material, and tender offers;
- (9) defeasance of any of the 2016 Bonds;
- (10) release, substitution or sale of any property securing repayment of the 2016 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(d) in a timely manner, to the MSRB, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

The City agrees that its undertaking under this Section is intended to be for the benefit of the Owners and the beneficial owners of the 2016 Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the City's obligations under this Article, but a failure to comply will not be an Event of Default under Section 9.1 of the General Indenture and will not result in acceleration of the principal of the 2016 Bonds. An action must be instituted, had and maintained in the manner provided in this Article for the benefit of all of the Owners and beneficial owners of the 2016 Bonds.

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

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2016 Bonds under Section 9.5 of the General Indenture as may be amended from time to time.

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

All documents provided to the MSRB as described above are to be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The City may discharge its undertaking described above by transmitting those documents or notices in a manner subsequently required by the U.S. Securities and Exchange Commission in lieu of the manner described above.

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2016 Bonds.

[END OF ARTICLE V]

## ARTICLE VI

### AMENDMENTS

This Series Indenture and the rights and obligations of the City and the Owners may be modified or amended at the same times, in the same manner and for the same purposes as the General Indenture, but if the modification or amendment affects only the 2016 Bonds, the percentage to be applied under Section 7.3 of the General Indenture will be applied only to the Outstanding 2016 Bonds.

Before the City and the Trustee enter into any supplemental indenture under this Section, there must have been delivered to the Trustee and the City an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by this Series Indenture, complies with the terms hereof, will, on the execution and delivery thereof, be valid and binding on the City in accordance with its terms and will not adversely affect the exclusion from the gross income of the recipients thereof of interest on the 2016 Bonds for federal income tax purposes.

A copy of all supplemental indentures executed and delivered under Section 7.3 of the General Indenture or for the purpose of issuing additional bonds under Section 6.8 of the General Indenture shall be sent by the City to Moody's (if the 2016 Bonds are rated by Moody's), S&P (if the 2016 Bonds are rated by S&P) and Fitch (if the 2016 Bonds are rated Fitch).

Notwithstanding anything in the General Indenture or this Series Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2016 Bonds or another Series of the Bonds issued after the issuance of the 2016 Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental indenture as required or permitted by this Article, including any amendment or supplemental indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the City required to provide, any prior notice or other documentation regarding such amendment or supplemental indenture.

[END OF ARTICLE VI]

## ARTICLE VII

### MISCELLANEOUS

**Section 7.1 Parties Interested Herein.** Nothing in this Series Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the City, the Trustee, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Series Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Series Indenture contained by and on behalf of the City or the Trustee will be for the sole and exclusive benefit of the City, the Trustee, the Paying Agent and the Owners.

**Section 7.2 Titles, Headings, Captions, Etc.** The titles, captions and headings of the articles, sections and subdivisions of this Series Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

**Section 7.3 Severability.** If any provision of this Series Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

**Section 7.4 Governing Law.** This Series Indenture is governed by and to be construed in accordance with the laws of the State without regard to conflict of law principles.

**Section 7.5 Execution in Counterparts.** This Series Indenture may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

**Section 7.6 Notices.** All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows: if to the City, to the City of Rocky Mount, North Carolina, One Government Plaza, Rocky Mount, North Carolina 27802, Attention: Finance Director; if to the Trustee, Authenticating Agent Registrar or the Paying Agent for the 2016 Bonds, to The Bank of New York Mellon Trust Company, N.A., 10161 Centurion Parkway North, Jacksonville, Florida 32256, Attention: Corporate Trust; if the 2016 Bonds are rated by Moody's, then to Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; if the 2016 Bonds are rated by S&P, then to Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, 55 Water Street, New York, New York 10041, and if the 2016 Bonds are rated by Fitch, then to Fitch Ratings, One State Street Plaza, New York, New York 10004. The City, the Trustee and the rating agencies, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

**Section 7.7 Performance of Duties.** The Trustee has the right to perform its duties hereunder through agents and attorneys.

**Section 7.8 Payments Due on Holidays.** If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Series Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next

day that is a Business Day with the same force and effect as if done on the nominal date provided in this Series Indenture.

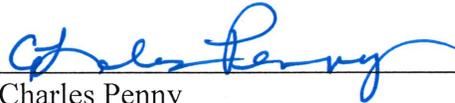
[END OF ARTICLE VII]

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**IN WITNESS WHEREOF**, the City and the Trustee have caused this Series Indenture to be executed in their respective names and their respective seals to be hereto affixed and attested by their duly authorized officials or officers, all as of the date first above written.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

[SEAL]

By:   
Charles Penny  
City Manager

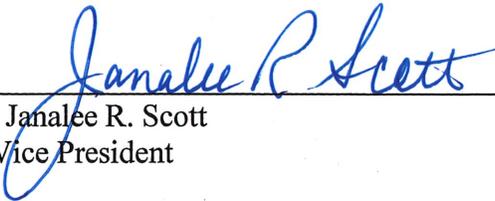
ATTEST:

By:   
Clerk

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE SERIES INDENTURE, NUMBER 1 DATED AS OF  
DECEMBER 1, 2016 BETWEEN THE CITY OF ROCKY MOUNT, NORTH CAROLINA  
AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.]

**THE BANK OF NEW YORK MELLON TRUST COMPANY,  
N.A.**

By:   
Name: Janalee R. Scott  
Title: Vice President

**EXHIBIT A**

**FORM OF 2016 BOND**

**CITY OF ROCKY MOUNT, NORTH CAROLINA  
SPECIAL OBLIGATION BOND,  
SERIES 2016**

No. R-\_\_ \$\_\_\_\_\_

| <u>INTEREST RATE</u> | <u>DATED DATE</u> | <u>MATURITY DATE</u> | <u>CUSIP</u> |
|----------------------|-------------------|----------------------|--------------|
| __%                  | December __, 2016 | May 1, __            | _____        |

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** DOLLARS

**THE CITY OF ROCKY MOUNT, NORTH CAROLINA** (the “City”), a municipal corporation of the State of North Carolina (the “State”), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at the address as it appears on the registration books kept by The Bank of New York Mellon Trust Company, N.A., the Registrar, Trustee and Paying Agent for the 2016 Bonds (the “Registrar,” the “Paying Agent” and the “Trustee”), at the close of business on the 15<sup>th</sup> day of the month preceding each hereinafter-described Interest Payment Date (each, a “Record Date”), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date of authentication (unless (1) the date of authentication precedes May 15, 2017 in which case this 2016 Bond will bear interest from the date of its delivery, or (2) the date of authentication is an Interest Payment Date, in which case this 2016 Bond will bear interest from such date) until the principal hereof shall have been paid or provided for in accordance with the Indenture hereinafter referred to, payable May 1, 2016 and thereafter semiannually on November 1 and May 1 in each year (each an “Interest Payment Date”). Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America and (except for interest which is payable by check or draft as stated above) are payable at the corporate trust office of the Paying Agent in Jacksonville, Florida.

THE 2016 BONDS ARE SPECIAL OBLIGATIONS OF THE CITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2016 BONDS DO NOT CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE ON ANY OF THE CITY’S PROPERTY OR ON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE PLEDGED FUNDS (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE CITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2016 BONDS, AND NO OWNER OF THIS 2016 BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE CITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

The 2016 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2016 Bonds made to the public. One definitive 2016 Bond for each maturity will be delivered to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2016 Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Principal of, premium, if any, and

interest on this 2016 Bond will be payable to DTC or its nominee as registered owner of the 2016 Bonds by wire transfer in immediately available funds. The City, the Paying Agent and the Trustee are not responsible or liable for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2016 Bonds or (b) the Trustee and the City determine to discontinue the book-entry system in accordance with DTC's rules and the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2016 Bonds in accordance with DTC's rules and procedures.

The City, the Paying Agent, the Registrar and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2016 Bonds; (c) the delivery or timeliness of delivery by DTC of any notice which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2016 Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of the City's \$36,815,000 City of Rocky Mount, North Carolina Special Obligation Bonds, Series 2016 (the "2016 Bonds") issued under a Bond Order adopted by the City on November 28, 2016 (the "Bond Order"), a General Trust Indenture dated as of December 1, 2016 (the "General Indenture") between the City and the Trustee, and Series Indenture, Number 1 dated as of December 1, 2016 (the "Series Indenture" and, together with the General Indenture and all supplements thereto, being hereinafter referred to collectively as the "Indenture") between the City and the Trustee. Unless the context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Indenture. The 2016 Bonds are being issued (1) to finance the costs of acquisition, construction and equipping of a multi-purpose event center known as the Downtown Community Center ("DCF") located in Rocky Mount Municipal Service District No. 2, and (2) to pay the costs of issuing the 2016 Bonds.

The 2016 Bonds, together with interest thereon, are special obligations of the City secured solely from the Pledged Funds (except to the extent paid out of money attributable to Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) and constitute a valid claim of the respective Owners thereof only against the Pledged Funds and other money held by the Trustee for the benefit of the Owners of the Bonds, which amounts are pledged and assigned pursuant to the Bond Order and the Indenture for the equal and ratable payment of the Bonds.

As used herein, "Pledged Funds" means the revenues received by the City during each Fiscal Year from sources other than the exercise of its taxing powers, as set forth in Exhibit A to the General Indenture, as amended, which Exhibit A may be amended so as to add to the revenues listed therein without the approval of the Owners.

Under the Indenture the City has, for the benefit of the Owners of the Bonds, assigned the City's rights to all Pledged Funds and to all money and securities held by the Trustee, the City or any other depositories in any and all of the funds and accounts established under the Indenture, except the Rebate Fund, to the Trustee in trust. The 2016 Bonds are not secured by the Debt Service Reserve Fund created under the Indenture.

Reference is made to the Indenture for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the Owners of the Bonds. Copies of the Indenture are on file and

may be inspected at the office of the Trustee in Jacksonville, Florida. By the purchase and acceptance of this Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

This 2016 Bond is issued and the General Indenture and the Series Indenture were each made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159I-30 et seq. and 159-80 et seq., as amended.

This 2016 Bond is exchangeable on the presentation and surrender hereof at the designated corporate trust office of the Registrar for a 2016 Bond or 2016 Bonds of other Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2016 Bond or 2016 Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2016 Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Registrar is not required to register the transfer of or exchange any 2016 Bonds selected, called or being called for redemption in whole or in part. The person in whose name this Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this Bond will be made only to or on the written order of the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this Bond to the extent of the sum or sums paid.

Notwithstanding anything provided above, payment of interest on the 2016 Bonds may, at the option of any Owner in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to such Owner to the address specified in writing by the Owner by the relevant Record Date.

The 2016 Bonds maturing on or before May 1, 2026, are not subject to call and redemption before maturity. The 2016 Bonds maturing on or after May 1, 2027 may be redeemed before their maturities, at the option of the City, from any funds that may be available for such purpose, either in whole or in part on any date on or after May 1, 2027. The 2016 Bonds called for redemption under this paragraph are to be redeemed at a Redemption Price equal to the par amount of the 2016 Bonds plus accrued interest thereon to the date of redemption

The City will on or before the 45<sup>th</sup> day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Not less than 30 days nor more than 60 days before the Redemption Date, the Trustee shall give notice of redemption by first class mail, postage prepaid (or, in the case of notice to DTC, by registered or certified mail or otherwise in accordance with DTC's then-existing rules and procedures) (1) to DTC or its nominee or to the then-existing securities depositories, or (2) if DTC or its nominee or another securities depository is no longer the Owner of the 2016 Bonds, to the then-registered Owners of the 2016 Bonds to be prepaid at their addresses appearing on the registration books maintained by the Trustee, (3) to the LGC, and (4) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB.

Such notice must (1) specify the 2016 Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be a designated office of the Paying Agent) and if less than all of the 2016 Bonds are to be redeemed, the numbers of the 2016 Bonds and the portions of 2016 Bonds to be redeemed, and (2) state that on the Redemption Date, the 2016 Bonds to be redeemed will cease to bear interest and (3) state, if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the

manner in which Owners will be notified if the conditions precedent to a redemption do not occur. If notice is given, the failure to receive such notice or any defect therein will not affect the validity of any proceedings for such redemption, and failure to give notice to all Owners will not affect the validity of any proceedings with respect to any Owner to whom such notice is properly given. Any notice mailed as provided in the Series Indenture will be conclusively presumed to have been given, whether or not the Owner receives the notice. If at the time of mailing of notice of redemption there is not on deposit with the Trustee money sufficient to redeem the 2016 Bonds called for redemption, which money is or will be available for redemption of the 2016 Bonds, such notice will state that it is conditional on the deposit of the redemption money with the Trustee not later than the opening of business on the Redemption Date. Any notice, once given, may be withdrawn by notice delivered in the manner set forth above, on receipt by the Trustee of written instructions from the City with respect to such withdrawal.

In the case of any partial redemption of 2016 Bonds, the City will select the maturity or maturities of the 2016 Bonds to be redeemed, and DTC will select the 2016 Bonds within the same maturity pursuant to its rules and procedures or, if the book-entry system with DTC or any other securities depository has been discontinued, the Trustee will select the 2016 Bonds to be redeemed by lot in such manner as the Trustee in its discretion may deem proper.

If a 2016 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2016 Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2016 Bond is equal to an Authorized Denomination. For any 2016 Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2016 Bond as representing a single 2016 Bond in the minimum Authorized Denomination plus that number of 2016 Bonds that is obtained by dividing the remaining principal amount of such 2016 Bond by the minimum Authorized Denomination

If it is determined that one or more, but not all, of the Authorized Denominations of principal represented by any 2016 Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2016 Bond, the Owner of such 2016 Bond, on surrender of such 2016 Bond to the Paying Agent for payment of the principal amount of the 2016 Bond, will be entitled to receive new 2016 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2016 Bond. New 2016 Bonds representing the unredeemed balance of the principal amount of such 2016 Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2016 Bond of a denomination greater than the amount being redeemed fails to present such 2016 Bond to the Paying Agent for payment and exchange as aforesaid, such 2016 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Indenture permits amendment thereto on the agreement of the City and the Trustee and with the approval of the registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Indenture also contains provisions permitting the City and the Trustee to enter into amendments to the Indenture without the consent of the Owners of the Bonds for certain purposes.

Any consent or request by the Owner of this Bond is conclusive and binding on such Owner and on all future Owners of this Bond and of any Bond issued on the transfer of this Bond whether or not notation of such consent or request is made on this Bond.

This Bond is issued with the intent that the laws of the State of North Carolina govern its legality, validity, enforceability and construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Authenticating Agent (as defined in the Indenture) of the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF**, the City of Rocky Mount, North Carolina has caused this Bond to be executed with the manual or facsimile signatures of the Mayor and City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

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

[SEAL]

By: \_\_\_\_\_  
City Clerk

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

\_\_\_\_\_  
GREG GASKINS  
Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Special Obligation Bonds, Series 2016 designated herein issued under the provisions of the within-mentioned Indenture.

Date of Authentication: \_\_\_\_\_

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNMENT**

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

---

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

---

the within 2016 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

Attorney to register the transfer of the within 2016 Bond on the books kept for registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

---

**NOTICE:** Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

---

**NOTICE:** The signature to this assignment must correspond with the name as it appears on the face of the within 2016 Bond in every particular, without alteration, enlargement or any change whatever.

**TRANSFER FEE MAY BE REQUIRED**

**EXHIBIT B**

**FORM OF REQUISITION**

The Bank of New York Mellon Trust Company, N.A.  
10161 Centurion Parkway North  
Jacksonville, Florida 32256  
Attention: Corporate Trust Division

Re: Disbursement from the 2016 Construction Account of the Construction Fund (the “2016 Construction Account”) and the 2016 Cost of Issuance Account of the Construction Fund (the “2016 Cost of Issuance Account”) relating the City of Rocky Mount, North Carolina Special Obligation Bonds, Series 2016

Dear :

Under Section 4.3 of Series Indenture Number 1 dated as of December 1, 2016 (the “Series Indenture”) between the City of Rocky Mount, North Carolina and The Bank of New York Mellon Trust Company, N.A., as trustee, we hereby request you to disburse from the [2016 Construction Account/2016 Cost of Issuance Account] as follows:

1. The amount to be disbursed is \$\_\_\_\_\_.

2. The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The purpose of the disbursement is to \_\_\_\_\_.

4. [For 2016 Construction Account only] The disbursement herein requested is [for work actually performed, for service actually rendered or for materials, supplies or equipment actually delivered, installed or fabricated][to be used as a revolving fund as permitted by Section 4.3(c) of the Series Indenture and to be used for the purposes set forth in paragraph 3 above][to be deposited with the “leverage lender” identified by the City and held by or for the benefit of the NMTC Borrower, and used to pay Costs of the Project].

DATED this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**CITY OF ROCKY MOUNT, NORTH CAROLINA**

By: \_\_\_\_\_  
City Representative