

**CITY OF WILMINGTON, NORTH CAROLINA**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**

as Trustee

**SERIES INDENTURE, NUMBER 3**

Dated as of  
May 1, 2026

*City of Wilmington, North Carolina  
Storm Water Fee Revenue Refunding Bonds,  
Series 2026*

---

**SERIES INDENTURE, NUMBER 3**  
**TABLE OF CONTENTS**

	<u>Page</u>
<b>ARTICLE I Definitions .....</b>	<b>1</b>
<b>ARTICLE II The 2026 Bonds .....</b>	<b>3</b>
Section 2.1    Authorized Amount of 2026 Bonds .....	3
Section 2.2    Issuance of 2026 Bonds .....	3
Section 2.3    Delivery of 2026 Bonds .....	3
Section 2.4    Details of 2026 Bonds; Payment .....	3
Section 2.5    Arbitrage and Tax Covenants.....	5
<b>ARTICLE III Redemption of 2026 Bonds .....</b>	<b>6</b>
Section 3.1    Optional Redemption of 2026 Bonds.....	6
Section 3.2    Mandatory Redemption.....	6
Section 3.3    Notice of Redemption .....	6
Section 3.4    Selection of 2026 Bonds To Be Redeemed.....	8
Section 3.5    No Partial Redemption After Default.....	8
Section 3.6    Payment of Redemption Price.....	8
<b>ARTICLE IV Amendments.....</b>	<b>9</b>
<b>ARTICLE V Application of 2026 Bond Proceeds; Funds And Accounts;</b>	
<b>Investments.....</b>	<b>10</b>
Section 5.1    Creation of Accounts.....	10
Section 5.2    Application of 2026 Bond Proceeds and Other Funds .....	10
<b>ARTICLE VI Additional Covenants .....</b>	<b>11</b>
<b>ARTICLE VII MISCELLANEOUS.....</b>	<b>14</b>
Section 7.1    Parties Interested Herein .....	14
Section 7.2    Titles, Headings, Captions, Etc .....	14
Section 7.3    Severability .....	14
Section 7.4    Governing Law.....	14
Section 7.5    Execution in Counterparts.....	14
Section 7.6    Notices .....	14
Section 7.7    Payments Due on Holidays .....	15
Section 7.8    No Broker Confirmations.....	15
Section 7.9    E-Verify .....	15
Section 7.10   Electronic Instructions; Electronic Signature.....	15
<b>EXHIBIT A        FORM OF 2026 BOND.....</b>	<b>A-1</b>
<b>EXHIBIT B        FORM OF REQUISITION.....</b>	<b>B-1</b>

### SERIES INDENTURE, NUMBER 3

***THIS SERIES INDENTURE, NUMBER 3*** dated as of May 1, 2026 (together with any supplements and amendments hereto made in accordance herewith, this “*Indenture*”), is by and between the CITY OF WILMINGTON, NORTH CAROLINA (the “*City*”), a municipal corporation of the State of North Carolina and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor trustee (the “*Trustee*”), having an office in Charlotte, North Carolina, duly organized and existing under the laws of the United States of America, being authorized to accept and execute trust of the character herein set out under and by virtue of the laws of the State of North Carolina (the “*State*”).

#### ***WITNESSETH:***

***WHEREAS***, the City previously issued its Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2015A, in the aggregate principal amount of \$19,425,000 (the “*2015 Bonds*”) pursuant to a General Trust Indenture dated as of October 1, 2007 (the “*General Indenture*”), and Series Indenture, Number 2, dated as of June 1, 2015, each between the City and U.S. Bank National Association, the successor to which is the Trustee;

***WHEREAS***, the City has determined to issue its Storm Water Fee Revenue Refunding Bonds, Series 2026 (the “*2026 Bonds*”) hereunder and under the General Indenture to (1) refund all or a portion of the 2015 Bonds, and (2) pay the costs of issuing the 2026 Bonds.

***WHEREAS***, effective January 29, 2022, U.S. Bank National Association transferred substantially all of its corporate trust business to its affiliate, U.S. Bank Trust Company, National Association, including acting as trustee and bond registrar for the Bonds issued under the General Indenture, and U.S. Bank Trust Company, National Association is therefore automatically appointed as successor trustee to U.S. Bank National Association pursuant to Section 8.10 of the General Indenture;

***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 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.

“*Electronic Means*” shall mean the following communications methods: e-mail, electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*General Indenture*” means the General Trust Indenture dated as of October 1, 2007 between the City and the Trustee, as successor trustee, and any amendments and supplements thereto.

“*Interest Payment Date*” means each June 1 and December 1, beginning December 1, 2026.

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

“*Owner*,” when used in this Indenture, means the registered owners of the 2026 Bonds.

“*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 2026 Bonds are to be called for redemption under this Indenture.

“*Redemption Price*” means, with respect to any 2026 Bond, the principal amount thereof payable on redemption thereof plus accrued interest to the Redemption Date.

“*Refunded 2015 Bonds*” means the City’s Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2015A maturing on and after June 1, [2027].

“*2026 Bonds*” means the \$[PAR AMOUNT] aggregate principal amount of the City of Wilmington, North Carolina Storm Water Fee Revenue Refunding Bonds, Series 2026 issued under this Indenture.

“*2026 Cost of Issuance Account*” means the account by that name in the Construction Fund created under Section 5.2.

“*Underwriter*” means Raymond James & Associates, Inc.

[END OF ARTICLE I]

**ARTICLE II**

**THE 2026 BONDS**

**Section 2.1 Authorized Amount of 2026 Bonds.** No 2026 Bonds may be issued under the provisions of this Indenture and the General Indenture except in accordance with this Article. The total principal amount of 2026 Bonds that may be issued is hereby expressly limited to \$[PAR AMOUNT], except as provided in Sections 3.4 and 3.5 of the General Indenture.

**Section 2.2 Issuance of 2026 Bonds.** The 2026 Bonds will be designated “City of Wilmington, North Carolina Storm Water Fee Revenue Refunding Bonds, Series 2026.” The 2026 Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2026 Bonds will be numbered from R-1 consecutively upwards. The 2026 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 Indenture.

**Section 2.3 Delivery of 2026 Bonds.** Before the delivery by the Trustee of any of the 2026 Bonds, the items required under Section 2.4 of the General Indenture must be filed with the Trustee.

**Section 2.4 Details of 2026 Bonds; Payment.**

(a) The 2026 Bonds will mature on June 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: [to update at pricing]

<b>YEAR OF MATURITY</b>	<b>PRINCIPAL AMOUNT</b>	<b>INTEREST RATE</b>	<b>YEAR OF MATURITY</b>	<b>PRINCIPAL AMOUNT</b>	<b>INTEREST RATE</b>
-----------------------------	-----------------------------	--------------------------	-----------------------------	-----------------------------	--------------------------

(b) Both the principal of and the interest on the 2026 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 2026 Bond shall bear interest from its date until its principal sum has been paid, but if such 2026 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 General Indenture, such 2026 Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2026 Bonds will be dated as of the date of their initial delivery, except that 2026 Bonds issued in exchange for or on the registration of transfer of 2026 Bonds will be dated as of the Interest Payment Date next preceding the date of authentication thereof, unless (1) the date of such authentication precedes November 15, 2026, in which case they will be dated as of the date of their initial delivery or (2) the date of such authentication is an Interest Payment Date to which interest on the 2026 Bonds has been paid in full or duly provided for in accordance with the terms of this 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 2026 Bonds is in default, 2026 Bonds executed and delivered in exchange for or on registration of transfer of 2026 Bonds will be dated as of the date to which interest on the 2026 Bonds has

been paid in full. If no interest has been paid on the 2026 Bonds, 2026 Bonds executed and delivered in exchange for or on the registration of transfer of 2026 Bonds will be dated the date of initial authentication and delivery thereof.

(c) The 2026 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2026 Bonds made to the public. One definitive 2026 Bond for each maturity of each series of the 2026 Bonds is to be delivered to the Trustee on behalf of The Depository Trust Company (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2026 Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) under 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 2026 Bonds. Beneficial ownership interests in the 2026 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 2026 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 2026 Bonds. Transfers of ownership interests in the 2026 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 2026 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2026 BONDS FOR ALL PURPOSES UNDER THE GENERAL INDENTURE AND THIS INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE 2026 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 INDENTURE.

Payments of principal of and interest on the 2026 Bonds, so long as DTC is the only Owner of the 2026 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Blanket Letter of Representations. 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 (1) DTC determines not to continue to act as securities depository for the 2026 Bonds or (2) the Trustee or the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the 2026 Bonds would adversely affect the interests of the City or the Beneficial Owners of the 2026 Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2026 Bonds to each Beneficial Owner in Authorized Denominations as such Owner may request.

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 INTEREST ON THE 2026 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 INDENTURE TO BE GIVEN TO OWNERS; (D) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2026 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(d) The 2026 Bonds are payable at the principal designated office of the Paying Agent on presentation and surrender. Interest on the 2026 Bonds will be paid by the Paying Agent by check or draft

mailed on the Interest Payment Date to each Owner as its name and address appear on the registration books kept by the Registrar at the close of business on the Record Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of 2026 Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner to the Paying Agent by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of and interest on any 2026 Bonds, whether by check or by wire transfer.

(e) The Trustee is appointed as the Paying Agent and Registrar for the 2026 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 2026 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 2026 Bonds from an Owner's gross income for federal income tax purposes would depend, 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 2026 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 2026 Bonds to be "*arbitrage bonds*" for purposes of Section 148 of the Code.

[END OF ARTICLE II]

**ARTICLE III**

**REDEMPTION OF 2026 BONDS**

**Section 3.1 Optional Redemption of 2026 Bonds.** The 2026 Bonds maturing on or before June 1, 2036 are not subject to call and redemption before their maturities. The 2026 Bonds maturing on or after June 1, 2037 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 June 1, 2036. The 2026 Bonds called for redemption under this Section will be redeemed at a Redemption Price of 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium.

**Section 3.2 Mandatory Redemption.** [to update at pricing as necessary]

(a) The 2026 Bonds maturing on June 1, 20\_\_ are subject to mandatory sinking fund redemption before their scheduled maturity, without premium, at the Redemption Price equal to 100% of the principal amount thereof being redeemed in the principal amounts and in the years as follows:

<u>JUNE 1</u>	<u>PRINCIPAL AMOUNT</u>
---------------	-----------------------------

\_\_\_\_\_  
\* Maturity

(b) At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the City may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption under this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the City to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the City, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The City will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what Sections 3.2(a) and (b) are to be availed of with respect to such mandatory redemption payment.

(c) The Trustee may pay the mandatory sinking fund redemption amounts set forth in this Section 3.2 to the Owner of such Term Bonds without any notice of redemption. The Trustee will record such payments on its books and records and on the Term Bond certificate.

**Section 3.3 Notice of Redemption.** Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the LGC by Mail or Electronic Means, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee

by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2026 Bonds, by Mail to the then-registered Owners of 2026 Bonds to be redeemed at the last address shown on the registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system pursuant to the procedures promulgated by the MSRB.

Notwithstanding the foregoing, (1) if notice is properly given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such redemption, (2) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the redemption of the 2026 Bonds or portions thereof with respect to which notice was correctly given, and (3) the failure to give any such notice to the LGC or the MSRB, or any defect therein, shall not affect the validity of any proceedings for the redemption of the 2026 Bonds.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2026 Bonds in mandamus for specific performance or similar remedy to compel performance.

Such notice must (1) specify the 2026 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 the principal office of the Paying Agent) and if less than all of the 2026 Bonds are to be redeemed, the portions of 2026 Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Bond Fund to pay the full Redemption Price of the 2026 Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Bond Fund to pay the Redemption Price of the 2026 Bonds called for redemption, and (3) state that on the Redemption Date, the 2026 Bonds to be redeemed will cease to bear interest.

The redemption notice may state that (1) it is conditioned upon the deposit of money with the Trustee on the Redemption Date at the time and in an amount equal to the amount necessary to effect the redemption and such notice will be of no effect unless such money is so deposited, and (2) the City retains the right to rescind the redemption notice on or prior to the scheduled Redemption Date, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded as described below.

Any redemption of 2026 Bonds or portions thereof may be rescinded in whole or in part at any time prior to the Redemption Date if the City delivers written notice to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners of the 2026 Bonds. Any 2026 Bonds where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the City to make funds available in part or in whole on or before the Redemption Date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Owners of the 2026 Bonds that the redemption did not occur and that the 2026 Bonds called for redemption and not so paid remain Outstanding.

If money is on deposit in the Bond Fund to pay the Redemption Price of the 2026 Bonds called for redemption on a Redemption Date, 2026 Bonds or portions thereof so called for redemption 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 2026 Bonds or portions thereof called for redemption until such 2026 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 2026 Bonds.

**Section 3.4 Selection of 2026 Bonds To Be Redeemed.** In the case of any partial redemption of 2026 Bonds, the City will select the maturity or maturities of the 2026 Bonds to be redeemed and DTC will select the 2026 Bonds within the same maturity under 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 2026 Bonds to be redeemed by lot in such manner as the Trustee in its sole discretion may deem appropriate. For this purpose, each Authorized Denomination of principal amount represented by any 2026 Bond will be considered a separate 2026 Bond for purposes of selecting the 2026 Bonds to be redeemed.

If a 2026 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2026 Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2026 Bond is equal to an Authorized Denomination. For any 2026 Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2026 Bond as representing a single 2026 Bond in the minimum Authorized Denomination plus that number of 2026 Bonds that is obtained by dividing the remaining principal amount of such 2026 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 2026 Bond is to be called for redemption, then, on written notice of intention to redeem such Authorized Denominations of principal amount of such 2026 Bond, the Owner of such 2026 Bond, on surrender of such 2026 Bond to the Paying Agent for payment of the principal amount of such 2026 Bond, will be entitled to receive new 2026 Bonds of the same aggregate principal amount of the unredeemed balance of the principal amount of such 2026 Bond. New 2026 Bonds representing the unredeemed balance of the principal amount of such 2026 Bonds will be issued to the Owner thereof.

If the Owner of any 2026 Bond of a denomination greater than the amount being redeemed fails to present such 2026 Bond to the Paying Agent for payment and exchange as aforesaid, such 2026 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 3.5 No Partial Redemption After Default.** Anything in this 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 2026 Bonds Outstanding.

**Section 3.6 Payment of Redemption Price.** The City will cause to be deposited in the Bond Fund, solely out of the Trust Estate, an amount sufficient to pay the Redemption Price of 2026 Bonds to be redeemed on the Redemption Date, and such 2026 Bonds will be deemed to be paid within the meaning of Article X of the General Indenture.

[END OF ARTICLE III]

## **ARTICLE IV**

### **AMENDMENTS**

This 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 one of the series of the 2026 Bonds, the percentage to be applied under Section 7.3 of the General Indenture will be applied only to the Outstanding 2026 Bonds of that series.

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 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 2026 Bonds for federal income tax purposes.

[END OF ARTICLE IV]

## ARTICLE V

### APPLICATION OF 2026 BOND PROCEEDS; FUNDS AND ACCOUNTS; INVESTMENTS

**Section 5.1 Creation of Accounts.** The City hereby establishes and creates a 2026 Cost of Issuance Account of the Construction Fund. There shall be deposited into the 2026 Cost of Issuance Account of the Construction Fund that portion of the proceeds of the 2026 Bonds set forth in Section 5.2 and all other money received by the Trustee under this Indenture and the General Indenture accompanied by directions from the City that such money is to be deposited into the 2026 Cost of Issuance Account of the Construction Fund.

**Section 5.2 Application of 2026 Bond Proceeds and Other Funds.** On delivery of the 2026 Bonds, the Trustee will receive \$[\_\_\_\_\_], comprised of \$[\_\_\_\_\_] from the proceeds of the 2026 Bonds and \$[\_\_\_\_\_] from City funds, which the Trustee is directed to apply as follows:

(1) Deposit \$[\_\_\_\_\_] from the proceeds of the 2026 Bonds into the 2026 Cost of Issuance Account to pay Costs of Issuance related to the 2026 Bonds; and

(2) In its capacity as trustee for the Refunded 2015 Bonds, deposit \$[\_\_\_\_\_], [comprised of \$[\_\_\_\_\_] from the proceeds of the 2026 Bonds and \$[\_\_\_\_\_] from City funds,] in the Bond Fund established under the General Indenture to redeem the Refunded 2015 Bonds as the City shall direct in a separate writing.

Any funds remaining on deposit in the 2026 Cost of Issuance Account in advance of the first Interest Payment Date shall be credited to the Bond Fund and applied to payment of interest on the 2026 Bonds.

[END OF ARTICLE V]

## ARTICLE VI

### ADDITIONAL COVENANTS

The City agrees, in accordance with Rule 15c2-12 (the “*Rule*”) promulgated by the Securities and Exchange Commission (the “*SEC*”) and for the benefit of the Owners and the Beneficial Owners of the 2026 Bonds, as follows, to provide to the MSRB:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2026, the audited financial statements of the City for each such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements 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;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2026, (1) the financial and statistical data as of a date not earlier than the end of each such Fiscal Year for the type of information included in the Official Statement dated May 6, 2026 in the tables under the headings (1) “**THE STORM WATER FACILITIES—Storm Water Fees,**” and “**—Number of Accounts**” and “**—Major Account,**” in each case to the extent such items are not included in the audited financial statements referred to in (a) above;

(3) in a timely manner not in excess of 10 Business Days after the occurrence of the event, notice of any of the following events with respect to the 2026 Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2026 Bonds or other material events affecting the tax status of the 2026 Bonds;
- (g) modification of the rights of the Beneficial Owners of the 2026 Bonds, if material;
- (h) call of any of the 2026 Bonds, if material, and tender offers;
- (i) defeasance of any of the 2026 Bonds;
- (j) release, substitution or sale of any property securing repayment of the 2026 Bonds, if material;

- (k) rating changes;
  - (l) bankruptcy, insolvency, receivership or similar event of the City;
  - (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than under its terms, if material;
  - (n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
  - (o) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
  - (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties; and
- (4) in a timely manner, notice of a failure of the City to provide required annual financial information described in (a) or (b) above on or before the date specified.

The City agrees to provide all documents described in this section in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The City agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the Beneficial Owners of the 2026 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 payment of the 2026 Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and Beneficial Owners of the 2026 Bonds.

The City may modify from time to time, consistent with the Rule, the information provided 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 related to the 2026 Bonds, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances; and
- (3) any such modification does not materially impair the interest of the Owners or the Beneficial Owners, as determined by the Trustee or Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2026 Bonds pursuant to Section 7.3 of the General Indenture.

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.

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 2026 Bonds.

The City may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

[END OF ARTICLE VI]

## ARTICLE VII MISCELLANEOUS

**Section 7.1 Parties Interested Herein.** Nothing in this 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 Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this 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 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 Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof. If any one or more of the provisions provided in this Series Indenture is construed to be invalid or unenforceable, the parties hereto shall, in the alternative, agree to replace such provision with a lawful provision which most nearly approximates the provision held to be invalid or unenforceable.

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

**Section 7.5 Execution in Counterparts.** This Indenture may be executed in any number of counterparts, by manual, facsimile, digital, electronic or .pdf file signatures, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. An executed copy of this Indenture delivered by Electronic Means will be deemed to have the same legal effect as delivery of a manual signed copy of this Indenture. This Indenture and related documents may be sent and stored by Electronic Means.

**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:

City of Wilmington, North Carolina  
Finance Department  
Skyline Center  
929 N. Front St., 10th Floor  
Wilmington, NC 28401  
Email: [Martha.Wayne@wilmingtonnc.gov](mailto:Martha.Wayne@wilmingtonnc.gov)

If to the Trustee, the Registrar, Authenticating Agent or Paying Agent:

U.S. Bank Trust Company, National Association  
214 North Tryon Street, 27th Floor  
Charlotte, North Carolina 28202-1078 CN-NC-H27A  
Attention: Corporate Trust Department  
Email: [shawna.hale@usbank.com](mailto:shawna.hale@usbank.com)

The City and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent. Notices under this Section may also be sent by Electronic Means and shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "read receipt" function, as available, return email or other form of written acknowledgment).

**Section 7.7 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 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 Indenture.

**Section 7.8 No Broker Confirmations.** The City agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

**Section 7.9 E-Verify.** The Trustee understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will not use any subcontractors in connection with this Series Indenture.

**Section 7.10 Electronic Instructions; Electronic Signature.** The Trustee shall accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the City shall provide to the Trustee an incumbency certificate listing the names of the individuals who are designated and authorized to sign for the City or in the name of the City, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; provided that such unauthorized instructions, interception or misuse was not due to the Trustee's negligence or the compromise of Trustee's security systems.

[END OF ARTICLE VII]

*IN WITNESS WHEREOF*, the City and the Trustee have caused this Indenture to be executed in their respective names and, with respect to the City, their seal to be hereto affixed and attested by their duly authorized official or officer, all as of the date first above written.

**CITY OF WILMINGTON, NORTH CAROLINA**

[SEAL]

By: \_\_\_\_\_  
Becky Hawke  
City Manager

**ATTEST:**

By: \_\_\_\_\_  
Penelope Spicer-Sidbury  
City Clerk

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE SERIES INDENTURE, NUMBER 3 DATED AS OF MAY 1, 2026  
BETWEEN THE CITY OF WILMINGTON, NORTH CAROLINA AND U.S. BANK TRUST  
COMPANY, NATIONAL ASSOCIATION]

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**

By: \_\_\_\_\_  
Shawna L. Hale  
Vice President

EXHIBIT A

FORM OF 2026 BOND

CITY OF WILMINGTON, NORTH CAROLINA  
STORM WATER FEE REVENUE REFUNDING BONDS,  
SERIES 2026

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

INTEREST RATE	DATED DATE	MATURITY DATE	CUSIP
__%	May 21, 2026	June 1, __	971724 __

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

*THE CITY OF WILMINGTON, 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 U.S. Bank Trust Company, National Association, the Registrar, the Trustee and the Paying Agent for the 2026 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 (i) the date of authentication precedes November 15, 2026, in which case this 2026 Bond will bear interest from the date of its initial delivery, or (ii) the date of authentication is an Interest Payment Date, in which case this 2026 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 December 1, 2026 and thereafter semiannually on June 1 and December 1 in each year (each an “Interest Payment Date”). Both principal and interest 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 principal designated corporate trust office of the Paying Agent in Charlotte, North Carolina.

The 2026 Bonds are special obligations of the City. The principal of and interest on the 2026 Bonds are not payable from the general funds of the City, nor do they constitute a legal or equitable pledge, charge, lien, or encumbrance on any of its property or on any of its income, receipts, or revenues except the funds which are pledged under the Indenture (hereinafter defined). Neither the credit nor the taxing power of the State or the City are pledged for the payment of the principal of or interest on the 2026 Bonds, and no owner of this 2026 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 2026 Bonds will be initially delivered by means of a book-entry system with no physical distribution of definitive 2026 Bonds made to the public. One definitive 2026 Bond for each maturity will be delivered to the Trustee on behalf of The Depository Trust Company (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2026 Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants under rules and procedures established by DTC. Principal of and interest on this 2026 Bond will be payable to DTC or its nominee as registered owner of the 2026 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 2026 Bonds or (b) the Trustee or the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the 2026 Bonds would adversely affect the interests of the City or the beneficial owners of the 2026 Bonds, the City will discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will deliver fully registered definitive 2026 Bonds to each beneficial owner in such denominations as such owner designates.

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 interest on the 2026 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 2026 Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of a duly authorized series of storm water fee revenue refunding bonds of the City, designated "*Storm Water Fee Revenue Refunding Bonds, Series 2026*" (the "*2026 Bonds*") issued under a General Trust Indenture dated as of October 1, 2007 (the "*General Indenture*"), and Series Indenture, Number 3 dated as of May 1, 2026 (the "*Series Indenture*" and, together with the General Indenture and all supplements thereto, being hereinafter referred to collectively as the "*Indenture*"), each 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 City has previously issued its Storm Water Fee Revenue and Revenue Refunding Bonds, Series 2015A, in the aggregate principal amount of \$19,425,000 (the "*2015 Bonds*") pursuant to the General Indenture and Series Indenture, Number 2, dated as of June 1, 2015, each between the City and U.S. Bank National Association, the successor to which is the Trustee.

The 2026 Bonds are being issued to (1) refund the 2015 Bonds maturing on and after June 1, [2027] and (2) pay the costs of issuing the 2026 Bonds. All Outstanding Bonds under the Indenture and any additional Series of Bonds issued under the Indenture, will be parity obligations with the 2026 Bonds.

The 2026 Bonds, together with interest thereon, are special obligations of the City payable solely from Revenues (except to the extent paid out of money attributable to proceeds of the 2026 Bonds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) after payment of the Current Expenses related to the Storm Water Facilities and constitute a valid claim of the respective Owners thereof only against the funds and other money held by the Trustee for the benefit of the Owners of the 2026 Bonds, which amounts are pledged and assigned under the Indenture for the equal and ratable payment of the 2026 Bonds and will be used for no other purpose than to pay the principal of and interest on the 2026 Bonds, except as may be otherwise expressly authorized in the Indenture.

As used herein, "*Revenues*" means all rents, rates, fees, charges, assessments or other charges or other income received by the City as authorized by Section 160A-314 of the General Statutes of North Carolina, as amended, in connection with the management and operation of the Storm Water Facilities, and all parts thereof, including amounts received from the investment or deposit of money in any Fund or Account (but not including amounts received from interest or other investment income earned in the Construction Fund), all as calculated in accordance with generally accepted accounting principles except

as otherwise provided in the Indenture, but shall not include (1) net proceeds of insurance or condemnation awards or other extraordinary items, (2) any amounts received by the City representing sales or use taxes which may be required by law or agreement to be paid to the State or a governmental unit thereof, (3) any refundable money attributable to the Storm Water Facilities or (4) any unrealized gains.

“*Current Expenses*” means the current expenses of operation, maintenance and current repair of the Storm Water Facilities, as calculated in accordance with generally accepted accounting principles except as otherwise provided herein, which may include, without limiting the generality of the foregoing: insurance premiums; any rebate required to be paid to the United States Government; fees and expenses of the Trustee and any Paying Agent; fees and expenses of any entity providing credit support or liquidity for any Series of the Bonds; administrative and engineering expenses of the City relating solely to the Storm Water Facilities; labor; executive compensation; the cost of materials and supplies used for current operations; and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred as determined by the City in accordance with generally accepted accounting principles except as otherwise provided herein. “*Current Expenses*” will not include (1) any allowance for depreciation or replacements of capital assets related to the Storm Water Facilities, (2) money payable as Interest and as interest on General Obligation Indebtedness, Subordinate Indebtedness or Other Indebtedness, (3) money deposited or transferred to the Reserve Fund under the applicable Series Indenture and (4) any unrealized losses.

Under the Indenture the City has, for the benefit of the Owners of the 2026 Bonds, assigned the City’s rights to all Net Revenues and to all money and securities held by the Trustee, the City or any other depositaries in any and all of the funds and accounts established under the Indenture, except the Storm Water Management Fund, the Capital Improvement Fund and the Surplus Fund, to the Trustee in trust.

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 Raleigh, North Carolina. By the purchase and acceptance of this Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents.

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

This Bond is exchangeable on the presentation and surrender hereof at the designated corporate trust office of the Registrar for a 2026 Bond or 2026 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 2026 Bond or 2026 Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2026 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 2026 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.



registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system pursuant to the procedures promulgated by the MSRB.

Notwithstanding the foregoing, (1) if notice is properly given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such redemption, (2) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the redemption of the 2026 Bonds or portions thereof with respect to which notice was correctly given, and (3) the failure to give any such notice to the LGC or the MSRB, or any defect therein, shall not affect the validity of any proceedings for the redemption of the 2026 Bonds.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2026 Bonds in mandamus for specific performance or similar remedy to compel performance.

Such notice must (1) specify the 2026 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 the principal office of the Paying Agent) and if less than all of the 2026 Bonds are to be redeemed, the portions of 2026 Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Bond Fund to pay the full Redemption Price of the 2026 Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Bond Fund to pay the Redemption Price of the 2026 Bonds called for redemption, and (3) state that on the Redemption Date, the 2026 Bonds to be redeemed will cease to bear interest.

The redemption notice may state (1) that it is conditioned upon the deposit of money with the Trustee on the redemption date at the time and in an amount equal to the amount necessary to effect the redemption and such notice will be of no effect unless such money is so deposited, and (2) that the City retains the right to rescind the redemption notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such money is not so deposited or if the notice is rescinded as described below.

Any redemption of 2026 Bonds or portions thereof may be rescinded in whole or in part at any time prior to the redemption date if the City delivers written notice to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners of the 2026 Bonds. Any 2026 Bonds where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give immediate notice to the affected Owners of the 2026 Bonds that the redemption did not occur and that the 2026 Bonds called for redemption and not so paid remain Outstanding.

If less than all of the 2026 Bonds are called for optional redemption as described above, the City shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2026 Bonds and less than all the 2026 Bonds of any maturity are called for redemption, DTC shall select the 2026 Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2026 Bonds has been discontinued, the Trustee shall select the 2026 Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2026 Bond to be redeemed must be in an Authorized Denomination.

If a 2026 Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2026 Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2026 Bond is equal to an Authorized Denomination. For any 2026 Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2026 Bond as representing a single 2026 Bond in the minimum Authorized Denomination plus that number of 2026 Bonds that is obtained by dividing the remaining principal amount of such 2026 Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the 2026 Bonds are to be called for redemption, then, on notice of intention to redeem such 2026 Bonds, the Owner of such 2026 Bond, on surrender of such 2026 Bond to the Paying Agent for payment of the principal amount of the 2026 Bond, will be entitled to receive new 2026 Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2026 Bond. New 2026 Bonds representing the unredeemed balance of the principal amount of such 2026 Bonds will be issued to the Owner thereof without charge therefor.

Failure to provide such notice to any Owner or any defect therein will not affect the validity of any proceedings for such redemption as to any other Owner to whom such notice was properly given. Failure to provide such notice to the LGC or the MSRB as provided above will not affect the validity of any proceedings for such redemption.

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 2026 Bond is conclusive and binding on such Owner and on all future Owners of this 2026 Bond and of any 2026 Bond issued on the transfer of this 2026 Bond whether or not notation of such consent or request is made on this Bond.

This 2026 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 2026 Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This 2026 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 Wilmington, North Carolina has caused this 2026 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 WILMINGTON, NORTH CAROLINA**

By: \_\_\_\_\_  
Becky Hawke  
City Manager

[SEAL.]

By: \_\_\_\_\_  
Penelope Spicer-Sidbury  
City Clerk

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE  
LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA

RELATED TO

CITY OF WILMINGTON, NORTH CAROLINA  
STORM WATER FEE REVENUE REFUNDING BONDS, SERIES 2026]

Date of Execution: May 21, 2026

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

---

Deputy Secretary of the Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

This 2026 Bond is one of the Storm Water Fee Revenue Refunding Bonds, Series 2026 designated herein issued under the provisions of the within-mentioned Indenture.

Date of Authentication: May 21, 2026

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**, as Registrar and Paying Agent

By: \_\_\_\_\_  
Shawna L. Hale  
Vice President

**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 2026 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

Attorney to register the transfer of the within 2026 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 2026 Bond in every particular, without alteration, enlargement or any change whatever.

**TRANSFER FEE MAY BE REQUIRED**

**EXHIBIT B**

**FORM OF REQUISITION**

U.S. Bank Trust Company, National Association  
Attention: Corporate Trust Department

Re: Disbursement from the 2026 Cost of Issuance Account of the Construction Fund (the "2026 Cost of Issuance Account") relating the City of Wilmington, North Carolina Storm Water Fee Revenue Refunding Bonds, Series 2026

Dear \_\_\_\_\_ :

Under Section 5.3 of Series Indenture Number 3 dated as of May 1, 2026 (the "Series Indenture") between the City of Wilmington, North Carolina and U.S. Bank Trust Company, National Association, as trustee, we hereby request you to disburse from the 2026 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. The disbursement herein requested is for service actually rendered.

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

**CITY OF WILMINGTON, NORTH CAROLINA**

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