

**FIRST AMENDMENT TO INDENTURE OF TRUST**

(Dated and Effective as of December 5, 2024)

Relating to:

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

**Indenture of Trust**

(Dated and Effective as of March 1, 2023)

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**A NORTH CAROLINA STATUTORY TRUST**  
**FIRST AMENDMENT TO INDENTURE OF TRUST**

**WITNESSETH:**

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

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

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

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

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

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

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

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

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

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

## AGREEMENTS

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

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

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

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

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

**Section 1.04 Purpose; Participant Requirements.**

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

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

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

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

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

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

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

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

**Section 1.08 Effect of Partial Invalidity.** In case any one or more of the provisions of this First Amendment shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this First Amendment, but this First Amendment shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this First Amendment shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

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

**Section 1.10 Headings.** Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of the Original Indenture, nor shall they affect its meaning, construction or effect.

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

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