

s★h draft of February 24

Third Supplemental Trust Agreement

dated as of March 1, 2026

by and between the

Town of Hillsborough, North Carolina

and

**U.S. Bank Trust Company, National
Association, as Trustee**

Relating to the issuance of

\$8,500,000

Combined Utility Systems Revenue Bonds

Series 2026

THIS THIRD SUPPLEMENTAL TRUST AGREEMENT is dated as of March 1, 2026 (this “Supplemental Agreement”), is between the **TOWN OF HILLSBOROUGH, NORTH CAROLINA**, a North Carolina municipal corporation (the “Town”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association having an office in Charlotte, North Carolina, as trustee (the “Trustee”), and relates to the Town’s issuance of its \$8,500,000 Combined Utility Systems Revenue Bonds, Series 2026 (the “2026 Bonds”).

INTRODUCTION

The Town and the Trustee have executed and delivered a Master Trust Agreement dated as of May 1, 2018 (the “Master Agreement”). The Master Agreement provides for the issuance of the Town’s revenue bonds from time to time to finance improvements to the Town’s public water and sewer utility enterprise system, and provides that the parties will enter into a supplemental agreement for each issue of revenue bonds.

The Town has now determined to issue \$8,500,000 in its revenue bonds to finance additional improvements to the Town’s Adron F. Thompson building, and to pay related costs (the “2026 Project”, as further defined in Exhibit A). This Supplemental Agreement provides for the issuance of those revenue bonds.

Unless the context clearly requires otherwise, capitalized terms used in this Supplemental Agreement and not otherwise defined have the meanings set forth in Exhibit A.

In consideration of the mutual promises in this Supplemental Agreement, the parties agree as follows:

ARTICLE I

THE 2026 BONDS

Section 1.01. Authorization and Issuance of 2026 Bonds. (a) In accordance with the Act, the Trust Agreement and the authorizing Bond Order and Series Resolution adopted by the Town Board on March 9, 2026, the Town will issue the 2026 Bonds as provided in this Supplemental Agreement to pay Project Costs of the 2026 Project.

(b) The Town may expand the definition of the 2026 Project as contemplated by clause (b) of that definition by delivering a Town Certificate to the Trustee describing the System improvements to be incorporated into that definition.

Section 1.02. Agreement Supplements Master Agreement. This Supplemental Agreement is a “supplemental agreement” for the issuance of Additional Bonds as provided in the Master Agreement. The 2026 Project is an “Additional Project” within the meaning of the Trust Agreement, and the Town is issuing the 2026 Bonds to pay Project Costs of this Additional Project.

Section 1.03. Form and Details. The 2026 Bonds will be issued initially as a single, fully registered bond numbered R-1 for identification, will be designated “Combined Utility Systems Revenue Bond, Series 2026,” and will be in substantially the form of Exhibit B, with any changes as the Trust Agreement permits or requires.

Section 1.04. Bond Payments. The 2026 Bonds are payable as to interest annually until payment on each Payment Date at the annual rate of 4.38% (calculated based on a 360-day year consisting of twelve 30-day months and subject to adjustment as provided below), and are payable as to principal on April 1 in installments in years and amounts as shown in Exhibit C, in all cases subject to prepayment and adjustment as provided in this Supplemental Agreement. The Trustee will make payments to the Lender or any other single Bondholder by Federal Reserve wire transfer, or other transfer of immediately available funds acceptable to the Trustee and the Bondholder, to such bank account in the continental United States as the Bondholder may designate in writing to the Trustee from time to time.

Section 1.05. Prepayment. The 2026 Bonds are subject to prepayment as provided in Section 2.01.

Section 1.06. Rate Adjustment. (a) Upon any “Rate Adjustment Event,” as defined below, (i) the unpaid principal of the 2026 Bonds will continue to be payable as shown in Exhibit C, but (ii) the interest on the 2026 Bonds shall be recalculated, at an interest rate equal to an annualized interest rate equal to the Prime Rate plus 2% (200 basis points) (retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest became includable in any Bondholder’s gross income for federal income tax purposes. The Town shall pay interest at each adjusted rate as in

effect from time to time (subject to credit for interest previously paid) to each affected Bondholder, notwithstanding the fact that any particular Bondholder may not be in the same position as Bondholder on the date of a Rate Adjustment Event.

(b) Upon any Rate Adjustment Event, the Bondholder shall promptly prepare substitute Exhibit C reflecting the new interest rate and resulting payment schedule, and deliver a copy of the new Exhibit C to the Town and to the LGC.

(c) The Town shall additionally pay to the Bondholder any interest, penalties or other charges assessed against or payable by such Bondholder and attributable to a Rate Adjustment Event, notwithstanding the prior repayment of the 2026 Bonds in full. The Town shall pay these amounts directly to the Bondholder as Additional Payments.

(d) "Rate Adjustment Event" means (i) any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body or (ii) receipt by the Bondholder of an opinion of nationally recognized bond counsel acceptable to the Town, in either case determining in effect that interest on the 2026 Bonds is includable in gross income for federal income tax purposes as a result of (A) any action the Town takes, or fails to take, or (B) any representation made by the Town being a misrepresentation.

Section 1.07. Delivery of 2026 Bonds. The Trustee will authenticate and deliver the 2026 Bonds when it has received the following items:

(a) A certified copy of the Master Agreement and an original executed counterpart of this Supplemental Agreement;

(b) A certified copy of the Town Board's authorizing bond order for the 2026 Bonds;

(c) A certified copy of one or more Town Board resolutions approving the substantially final form of this Supplemental Agreement, authorizing its execution and delivery, and approving the issuance of the 2026 Bonds;

(d) A Town Certificate approving the award of the 2026 Bonds and directing the authentication and delivery of the 2026 Bonds to or upon the order of the

Bondholder named in the certificate upon payment of the amount stated in the certificate;

(e) Executed 2026 Bonds, in the form of a single, fully registered bond, in the principal amount, bearing interest at the rate, and payable as to principal and interest at the times and in the amounts, as are provided in this Supplemental Agreement;

(f) Evidence with compliance with the provisions of Article III of the Master Agreement with respect to the issuance of Long-Term Indebtedness constituting Parity Indebtedness;

(g) A Town Certificate directing the Trustee as to the application of proceeds from the sale of 2026 Bonds;

(h) Evidence that the LGC has approved the issuance of the 2026 Bonds; and

(i) An Opinion of Bond Counsel (i) to the effect that the Town has duly authorized the execution and delivery of the 2026 Bonds, (ii) to the effect that the 2026 Bonds are valid and enforceable obligations of the Town and (iii) with respect to the tax-exempt status of interest on the 2026 Bonds.

ARTICLE II

REDEMPTION

Section 2.01. Redemption Dates; Prices. (a) The Town may prepay the outstanding principal component of the 2026 Bonds only as provided in this Section.

(b) The Town may prepay the outstanding principal component of the 2026 Bonds, in whole or in part, at its option on April 1, 2031 and any Business Day thereafter by paying (i) all Additional Payments then due and payable, (ii) all interest accrued and unpaid to the prepayment date, and (iii) 101% of the principal amount to be prepaid if the prepayment occurs between April 1, 2031 and March 31, 2033, and 100% of the principal amount to be prepaid if the prepayment occurs on April 1, 2033 or any Business Day thereafter.

Any partial prepayment must (i) occur on a Payment Date, (ii) occur no more than once during any consecutive 12-month period, and (iii) be in a principal amount of not less than \$300,000. All partial prepayments will be applied to the then remaining principal balance in inverse order of installments coming due.

Section 2.02. Redemption Notices. (a) The Trustee, at the Town's direction, upon being satisfactorily indemnified by the Town with respect to expenses and with at least two Business Days' notice, will send notice of redemption no less than 30 days prior to the redemption date, to the registered owner of the 2026 Bonds at its address as it appears on the Trustee's registration books, by registered or certified mail. The Trustee shall also send a copy of the notice to the LGC.

(b) Any redemption notice may state that the redemption to be effected is conditioned upon --

(i) the Trustee's receipt on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the 2026 Bonds or portions thereof to be redeemed; or

(ii) any other condition not unacceptable to the Trustee.

If a notice contains a condition and the Trustee either (i) does not receive moneys sufficient to pay the principal of and premium, if any, and interest on the 2026 Bonds on or prior to the redemption date, or (ii) the stated condition is not fulfilled,

in either case on or prior to the redemption date,

then redemption will not be made, and the Trustee must, within a reasonable time, give notice the same way the redemption notice was given that the moneys were not so received (or condition was not fulfilled) and the redemption was not made.

(c) Each redemption notice must specify (i) the complete designation of the 2026 Bonds, (ii) the date fixed for redemption, (iii) any conditions to the redemption, as contemplated by subsection (b) above, (iv) the principal amount of 2026 Bonds or portions thereof to be redeemed, (v) the applicable redemption price, (viii) the address of the place or places of payment, (vi) the Trustee's name and telephone

number, and the name of a contact person, (vii) the name, telephone number and email address for a contact person for the Town, (viii) that interest accrued to the date fixed for redemption will be paid as specified in the notice, and (ix) that on and after the established redemption date interest on the principal amount of the 2026 Bonds which has been redeemed will cease to accrue. The Trustee must also include in any redemption notice any additional information provided by the Town for use in the notice.

Section 2.03. 2026 Bonds Payable on Redemption Date; Interest Ceases To Accrue. If on or before the date fixed for redemption funds are deposited with the Trustee to pay the principal of and interest accrued to the redemption date on 2026 Bonds called for redemption, the 2026 Bonds cease to accrue interest from and after the redemption date. Thereafter, the 2026 Bonds (or portions thereof) called for redemption (a) are no longer entitled to the benefits provided by the Trust Agreement and (b) are not deemed to be Outstanding under the Trust Agreement.

ARTICLE III

2026 FUNDS AND ACCOUNTS

Section 3.01. Creation and Use of 2026 Project Fund. The Trustee will establish a special fund designated as the “Hillsborough 2026 Project Fund.” The Trustee will keep this Fund separate and apart from all other funds and moneys held by it, and will hold and administer this Fund as provided in this Supplemental Agreement. Moneys in the 2026 Project Fund will be expended only as described in Sections 3.02 and 3.03. The Trustee is not required to disburse any moneys from the 2026 Project Fund during the continuation of any Event of Default.

Section 3.02. Deposits to 2026 Project Fund; Payment of Project Costs.

(a) The Trustee will deposit into the 2026 Project Fund the amount specified in the certificate referenced in Section 1.07(g) and all other amounts paid to it for deposit in the 2026 Project Fund.

(b) The Trustee will disburse moneys in the 2026 Project Fund from time to time, either to pay Project Costs of the 2026 Project directly or to reimburse the Town for previous expenditures on any of those costs, upon the Trustee's receipt of a requisition substantially in the form of Exhibit D. The Trustee may rely conclusively on requisitions as authorization for payments, and the Trustee has no duty or responsibility to verify any matters in the requisitions.

(c) Unless otherwise directed by the Town, the Trustee will disburse moneys from the 2026 Project Fund that are due to the Town by wire transfer to any bank account in the United States as a Town Certificate may designate from time to time. Any electronic notice to the Trustee is subject to the provisions of Section 10.02 of the Master Agreement.

Section 3.03. Transfer of Unexpended Proceeds. Upon receipt of a Town Certificate stating that there are no more Project Costs to be paid from the 2026 Project Fund, the Trustee will withdraw all remaining moneys in the 2026 Project Fund and deposit those moneys into Subaccounts of the Payment Fund as the Town Certificate may specify. In the absence of any direction from the Town, the Trustee will deposit those moneys in the 2026 Subaccount of the Interest Account and use them to pay interest on the 2026 Bonds as the same becomes due.

Section 3.04. Establishment of Subaccounts. The Trustee will establish the following subaccounts of the accounts established under the Master Agreement:

- (a) 2026 Subaccount of the Interest Account
- (b) 2026 Subaccount of the Principal Account
- (c) 2026 Subaccount of the Redemption Account

The Trustee will hold and administer the subaccounts referenced above pursuant to the Master Agreement and this Supplemental Agreement.

Section 3.05. Application of Revenues to 2026 Subaccounts. Subject to the provisions of Section 2.03 of the Master Agreement, the Town shall deposit (or cause to be deposited) with the Trustee, the following amounts from Net Receipts held in the Revenue Fund. The Trustee shall apply these amounts to the specified accounts and subaccounts in the following order:

(a) into the 2026 Subaccount of the Interest Account, on or before the 25th day of the month immediately preceding each Payment Date, an amount equal to the interest payable on the 2026 Bonds on that Payment Date; and

(b) into the 2026 Subaccount of the Principal Account, on or before the 25th day of the month immediately preceding a Payment Date on which principal of 2026 Bonds comes due, an amount equal to the principal payable of all 2026 Bonds coming due on that Payment Date.

In addition, the Trustee shall deposit in the 2026 Subaccount of the Redemption Account all other amounts paid to it from time to time with instructions to deposit the amounts in that subaccount.

At the Town's request, the Trustee shall notify the Town of any amounts in the 2026 Subaccounts available to reduce the amount of any upcoming required deposits, and the Town may then reduce the amount of a required deposit by any available amounts.

Section 3.06. Payment of Principal and Interest; Pledge of Net Receipts. The Town covenants that it will promptly pay the principal of and the interest on the 2026 Bonds on the dates and in the manner provided in the Trust Agreement and in the 2026 Bonds, according to the true intent and meaning thereof. The Town further covenants that it will always faithfully perform all its covenants, undertakings and agreements contained in the Trust Agreement, in the 2026 Bonds, or in any proceedings of the Town pertaining to those matters.

The Town represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the 2026 Bonds and to pledge the Net Receipts in the manner and to the extent provided in the Trust Agreement; that all action on its part for the issuance of the 2026 Bonds has been duly and effectively taken; and that 2026 Bonds in the hands of the Bondholder are and will be valid and binding special obligations of the Town, payable according to their terms.

Section 3.07. No Reserve Account. The 2026 Bonds are not secured by the Parity Reserve Account or any Special Reserve Account, and this Supplemental Agreement does not create any subaccount for the 2026 Bonds in the Capitalized Interest Account.

Section 3.08. Restricted Yield Investment. Not later than April 1, 2029, the Town shall (a) invest any “Covered Proceeds,” as defined below, that the Town holds, and (b) direct the Trustee to invest any Covered Proceeds the Trustee holds, in either case in Legal Investments at or below a “Restricted Yield,” as defined below, as the Town may specify from time to time. It is the Town’s responsibility, and not the Trustee’s, to identify and maintain investments as required by this Section.

The “Covered Proceeds” are any amounts on deposit in any Fund or Account under the Trust Agreement that represent proceeds of the 2026 Bonds, including proceeds from the investment of the 2026 Bond proceeds or proceeds from the sale or other disposition of property acquired or improved through the proceeds of the 2026 Bonds (including insurance proceeds).

A “Restricted Yield” means a "yield," within the meaning of Treas. Regs. Secs. 1.103-13(c), -13(d), 1.148-9T(a), or any successor or other provision that may be applicable, not in excess of a "yield" equal to 4.3327%, which is the “yield” on the 2026 Bonds.

The Town’s failure to comply with the provisions of this Section shall not in itself be an Event of Default within the meaning of Section 5.01 of the Master Agreement so long as the Town provides for any excess earnings from the investment of Covered Proceeds above the Restricted Yield to be calculated and paid to the United States as required by the Code.

ARTICLE IV

TOWN'S WARRANTIES, REPRESENTATIONS AND COVENANTS

Section 4.01. In General. The Town makes the following statements of fact, with the understanding and intent that the Trustee and the Owners will rely on these statements in making the decision to enter into this Supplemental Agreement and to purchase and own 2026 Bonds:

(a) *Town duly organized.* The Town is a duly organized and validly existing municipal corporation of the State. The Town has all powers necessary to enter into the transactions contemplated by the Trust Agreement and the 2026 Bonds, and to carry out its obligations under the Trust Agreement and the 2026 Bonds.

(b) *2026 Bonds duly authorized.* The Town has duly and validly authorized, executed and delivered the Trust Agreement and the 2026 Bonds. The Town requires no further approval or consent from any governmental authority with respect to the Town's entering into, issuing or performing under the Trust Agreement or the 2026 Bonds. Assuming the Trustee's due authorization, execution and delivery of this Supplemental Agreement and the Trustee's due authentication of the 2026 Bonds, the Trust Agreement and the 2026 Bonds constitute valid, legal and binding obligations of the Town, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and applicable principles of equity. The Town Board proceedings relating to the Town's entering into, issuing, and performing under the Trust Agreement and the 2026 Bonds have been duly adopted, are in full force and effect, and have not been in any respect modified, revoked or rescinded.

(c) *No litigation.* There is no action, suit or proceeding at law or in equity before or by any court, public board or body pending or, to the best of the Town's knowledge, threatened, against or affecting the Town (or any official thereof in an official capacity) (i) challenging the validity or enforceability of the Trust Agreement or the 2026 Bonds, or seeking to restrain or enjoin the issuance or delivery of the 2026 Bonds or (ii) seeking to restrain or enjoin the assessment or collection of water and sewer revenues to pay the principal of and interest on the 2026 Bonds, or (iii) challenging (A) the Town's organization or existence, (B) the Town's issuance of the 2026 Bonds, (C) the Board's adoption of the Bond Order, or (D) the title to office of

any Town Board member or other Town officer, or (iv) that otherwise would be likely (if decided adversely to the Town) to have a material adverse effect on the Town's ability to provide for timely payment of the 2026 Bonds.

(d) *No conflicting laws or contracts.* The Town's performance of its obligations under the Trust Agreement or the 2026 Bonds, and its compliance with their respective provisions, under the contemplated circumstances, does not and will not in any material respect constitute on the Town's part a material breach of or a material default under, or result in the creation of a lien or other encumbrance on any Town property (except as contemplated in such instruments), pursuant to any agreement or other instrument to which the Town is a party, or any existing law, regulation, court order or consent decree to which the Town is subject.

(e) *Representations accurate.* No Town representation, covenant or warranty in the Trust Agreement or the 2026 Bonds is false or misleading in any material respect.

(f) *Tax matters.* The Town will not take or permit, or omit to take or cause to be taken, any action that would cause the 2026 Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of the Code, or otherwise adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2026 Bonds to which that interest would otherwise be entitled. If the Town does take or permit, or take or cause to be taken, any such action, the Town will take (or cause to be taken) all lawful actions within its power reasonably necessary to rescind or correct such actions or omissions promptly upon having knowledge of the effect of such actions.

(g) *Financial information to Bondholder.* The Town will send to the Bondholder

(i) the Town's audited annual financial statements within 180 days of the end of each fiscal year, to the extent that such audited annual financial statements are not available on publicly available sources; provided, however, that if the audited annual financial statements are not available within 180 days of the end of such fiscal year, the Town shall furnish unaudited annual financial statements with such period, and shall provide audited financial statements promptly upon the availability thereof; and

(ii) any other financial information relating to the Town or the 2026 Bonds as the Bondholder may reasonably request, including the Town's annual budget (excluding any privileged or confidential information required or permitted by law to be withheld). The audited financial statements and other financial information may be sent to the following email address (or such other address as the Bondholder supplies to the Town in writing): PublicFinance@WebsterBank.com.

ARTICLE V

AMENDMENTS OF AND SUPPLEMENTS TO SUPPLEMENTAL AGREEMENT OR THE 2026 BONDS

Section 5.01. Without Owners' Consent. The Town and the Trustee may amend or supplement this Supplemental Agreement or the 2026 Bonds without the consent of any Owner for any of the following purposes, or for any combination of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission
- (b) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority
- (c) to subject to this Supplemental Agreement additional collateral or to add other agreements of the Town
- (d) to permit the qualification of this Supplemental Agreement under any federal or state statute, whenever enacted, and, in that connection, to add to this Supplemental Agreement or any other supplemental trust agreement any other terms, conditions and provisions as may be permitted or required by the federal or state statute
- (e) to provide for the issuance of Additional Bonds as otherwise permitted by the Trust Agreement
- (f) to provide for 2026 Bonds to be issued or exchanged for 2026 Bonds in any other form or format at that time permitted by law

(g) to evidence the succession of a new Trustee, or to provide for the appointment and operation of a Bond Registrar separate from the Trustee

(h) to make any other change that does not materially adversely affect the rights of any Owner

The Trustee may rely on a Town Certificate to the effect that a proffered amendment or supplement is within the scope of this Section.

At least 10 days prior to the execution and delivery of any supplemental trust agreement for any of the purposes described in this Section, the Trustee shall provide for a notice of the proposed agreement to be mailed first-class, postage prepaid, to the LGC and to all Owners of the 2026 Bonds. The notice must briefly set forth the nature of the proposed agreement and state that copies of the proposed agreement are available to all Owners of the 2026 Bonds upon request to the Town or the Trustee at addresses set forth in the notice. This notice is not required, however, in the case of an amendment authorized under subsection (e) above.

The Town must pay the expenses of any mailing and copies required under this Section. A failure on the Trustee's part to mail the notice required by this Section will not affect the validity of any supplemental agreement.

Section 5.02. With Owners' Consent. (a) If Section 5.01 does not permit an amendment of or supplement to this Supplemental Agreement or the 2026 Bonds without any consent of Owners, the Town and the Trustee may enter into that amendment or supplement only with the consent of the Majority Owners (determined only with respect to the Owners of the 2026 Bonds).

(b) Without the consent of each Owner affected, however, no amendment or supplement to this Supplemental Agreement or the 2026 Bonds may (i) extend the maturity of the principal or interest with respect to the 2026 Bonds, (ii) reduce the principal amount of, or rate of interest on, the 2026 Bonds, (iii) effect a privilege or priority of any 2026 Bond or 2026 Bonds over any other 2026 Bond or 2026 Bonds, (iv) reduce the percentage of the principal amount of the 2026 Bonds required for consent to any amendment or supplement, (v) intentionally impair any exclusion of interest on the 2026 Bonds from the federal gross income of the Owner of the 2026

Bonds to which that interest was intended to be entitled, (vi) change any redemption terms of the 2026 Bonds, (vii) create a lien ranking prior to or on a parity with the lien of this Supplemental Agreement on the property pledged under the Trust Agreement (except with respect to a parity pledge for the benefit of the Owners of Additional Bonds), or (viii) deprive any Owner of the lien created by the Trust Agreement or this Supplemental Agreement on any property.

In addition, if moneys or Federal Securities have been deposited or set aside with the Trustee pursuant to Article IX of the Master Agreement for the payment of 2026 Bonds and those 2026 Bonds have not in fact been paid in full, the parties may make no amendment to the provisions of that Article without the consent of each Owner affected.

Section 5.03. Procedure for Amendment with Owners' Consent.

(a) If a proposed amendment requires the consent of Owners, the Trustee must establish a record date, and Owners as of that record date will be the Owners with the right to consent to the proposed amendment or supplement. This record date must be a date not later than five Business Days after the date the Trustee receives notice or direction from the Town to solicit consents.

(b) The Trustee must send, by first-class mail, a copy of the proposed supplement or amendment, together with a request to the Owners for their consent, to each Owner at its address as set forth in the registration books maintained pursuant to Section 6.05 of the Master Agreement, but failure to receive copies of the documents so mailed does not affect the validity of the supplement or amendment when assented to as provided in this Section. The request mailed by the Trustee must also designate a date not more than 180 nor less than 30 days following the mailing date, as designated by the Town, by which consent must be returned to be effective. The Town must pay all the expenses of the copying and mailing provided for in this Section.

(c) A proposed supplement or amendment that requires the consent of Owners (other than an amendment that requires the consent of all affected Owners) will only become effective if (i) there are filed with the Trustee the written consent of the Owners (as of the record date) of not less than a majority in aggregate principal amount of the 2026 Bonds then Outstanding (as of the record date and exclusive of

2026 Bonds disregarded from the calculation as provided in Section 5.04) and (ii) the Trustee has mailed the notices required by Section 5.09. Each consent will be effective only if accompanied by proof of ownership of the 2026 Bonds for which the consent is given as provided in Section 5.05 and given within the time designated as provided in subsection (b) above.

(d) At any time there is one Bondholder, that Bondholder may waive any or all of the requirements of subsections (a), (b) and (c) above, and may also waive the requirement that the Trustee mail confirming notices under Section 5.09 for the amendment to take effect.

Section 5.04. 2026 Bonds Held by Town Excluded from Calculation. 2026 Bonds owned or held by or for the account of the Town or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Town, are excluded from any calculation of Outstanding 2026 Bonds for any action provided for in this Supplemental Agreement. Similarly, Owners of those 2026 Bonds are not entitled to take any action provided for in this Supplemental Agreement. The Town and the Trustee intend, however, that the Town's ownership or holding of 2026 Bonds will not, by itself, give rise to an extinguishment of the 2026 Bonds or of any obligation arising under this Supplemental Agreement.

The Trustee may (but is not required to) provide for each Owner, before an Owner's consent is deemed effective, to certify or otherwise provide evidence to establish whether the 2026 Bonds as to which the consent is given are excluded as provided in this Section.

Section 5.05. Owners' Consents. Any consent or other instrument required by this Supplemental Agreement to be signed by Owners may be in any number of concurrent documents and may be signed by an Owner or by the Owner's agent appointed in writing. The Trustee may require that proof of the execution of any instrument, or of the instrument appointing an agent, and of the ownership of 2026 Bonds, be made as described below, and then may conclusively rely on that submitted proof.

(a) The fact and date of a person's signing an instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within that jurisdiction that the person signing the writing

acknowledged before the officer the execution of the writing, or by an affidavit of any witness to the signing.

(b) The fact of ownership of 2026 Bonds, the amount or amounts, numbers and other identification of such 2026 Bonds and the date of holding will be proved by the registration books kept pursuant to the Trust Agreement.

Section 5.06. Effect of Consents. After an amendment or supplement becomes effective, it binds every Owner. Any consent is binding upon and irrevocable by the Owner of the 2026 Bonds giving consent and on any subsequent Owner (whether or not any subsequent Owner has notice of the consent), unless the consent is revoked in writing by the Owner giving the consent, or by a subsequent Owner of the same 2026 Bonds, by filing a revocation with the Trustee prior to the time when the Trustee has mailed the notice provided for in Section 5.09.

Section 5.07. Trustee's Execution of Amendments and Supplements. The Trustee must execute and deliver any amendment or supplement to the Trust Agreement or the 2026 Bonds authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee, as the Trustee may determine in its reasonable discretion. If the amendment or supplement has such an adverse effect, the Trustee may, but need not, execute and deliver it. In determining to execute and deliver an amendment or supplement, the Trustee is entitled to receive and rely on an Opinion of Counsel to the effect (a) that the amendment or supplement is authorized by this Supplemental Agreement and (b) that upon execution it will be valid and binding upon the party or parties executing it in accordance with its terms.

Section 5.08. LGC's Consent Required. No amendment or supplement to this Supplemental Agreement or the 2026 Bonds, other than an amendment described in Section 5.01(h) will become effective unless the LGC delivers to the Town and the Trustee its prior written consent to the amendment or supplement.

Section 5.09. Notice of Amendments and Supplements. The Trustee must cause notice of the execution of any supplement or amendment to this Supplemental Agreement or the 2026 Bonds to be mailed to the Owners. The notice will, at the Trustee's option, either (a) briefly state the nature of the amendment or supplement and that copies of it are on file with the Trustee for inspection by the

Owner, or (b) enclose a copy of the amendment or supplement. The Town must pay the expenses of any mailing and copies required under this Section. A failure on the Trustee's part to mail the notice required by this Section, or the failure of the Owner to receive the notice, does not affect the validity of any supplemental agreement when assented to as provided in Section 5.03.

Section 5.10. Notation on or Exchange of 2026 Bonds. If an amendment or supplement changes the terms of the 2026 Bonds, the Trustee may require the Owner of the 2026 Bonds to deliver it to the Trustee. The Trustee may place an appropriate notation thereon about the changed terms and return it to the Owner. Alternatively, if the Trustee and the Town so determine, the Town, in exchange for the 2026 Bonds, will execute, and the Trustee will authenticate and deliver, a new 2026 Bond that reflects the changed terms.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.01. Notices.

(a) Any communication provided for in this Supplemental Agreement or the 2026 Bonds must be in English and in writing. "Writing" includes electronic mail, but does not include facsimile transmission.

(b) For the purposes of this Agreement, any communication sent by electronic mail will be deemed to have been given on the date the communication is similarly acknowledged by a Town Representative (in the case of the Town) or other authorized representative (in the case of any other party). No communication by electronic mail will be deemed given or effective without such an acknowledgment. Any electronic communication to the Trustee is subject to the provisions of Section 10.02 of the Master Agreement.

(c) Any other communication under this Supplemental Agreement will be deemed given on the delivery date shown on a United States Postal Service certified mail receipt, or a delivery receipt (or similar evidence) from a national commercial package delivery service, if addressed as follows:

(i) if to the Town, to Town of Hillsborough, Attn: Town Manager, Re: Notice for 2026 Revenue Bonds, Post Office Box 429, Hillsborough, NC 27278

(ii) if to the Trustee, to U.S. Bank Trust Company, National Association, Re: Notice for Hillsborough Revenue Bonds, 214 N. Tryon St., 27th Floor, mailcode CN-NC-H27A, Charlotte, NC 28202-1078

(iii) If to the LGC, to the North Carolina Local Government Commission, Attn: Secretary of the Commission, Re: Notice for Hillsborough Revenue Bonds, Longleaf Building, 3200 Atlantic Ave., Raleigh, NC 27604

(d) Any party sending a communication under this Supplemental Agreement (other than a requisition for funds) must also send a copy to the LGC and to Webster Public Finance Corporation, so long as Webster Public Finance Corporation is the registered owner of the 2026 Bonds. Those notices shall be addressed as follows: Webster Public Finance Corporation, Attn: Notice Regarding Hillsborough (NC) Financing, 200 Elm Street, Stamford, CT 06901

(e) Any addressee (including the LGC and Webster Public Finance Corporation) may designate additional or different addresses for communications by notice given under this Section to all of the others.

(f) Whenever this Supplemental Agreement requires the giving of a notice, the person entitled to receive the notice may waive the notice, in writing. The giving or receipt of the notice will then not be a condition to the validity of any action taken in reliance upon the waiver.

Section 6.02. Binding Effect; Limitation of Rights. This Supplemental Agreement is binding upon, inures to the benefit of and is enforceable by the parties and their respective successors and assigns. Nothing expressed or implied in this Supplemental Agreement or the 2026 Bonds gives any person other than the Trustee, the Town, the LGC and the Owners any right, remedy or claim under or with respect to this Supplemental Agreement or the 2026 Bonds.

Section 6.03. Severability. If any provision of this Supplemental Agreement is determined to be unenforceable, that does not affect any other provision of this Supplemental Agreement.

Section 6.04. Non-Business Days. If a Payment Date is not a Business Day, then payment may be made on the next Business Day, and no interest will accrue for the intervening period. When any other action is provided in this Supplemental Agreement to be done on a day or within a time period named, and the day or the last day of the period is not a Business Day, the action may also be done on the next ensuing Business Day.

Section 6.05. Governing Law; Forum. The parties intend that North Carolina law will govern this Supplemental Agreement, the 2026 Bonds, and all matters of their interpretation. To the extent permitted by law, the parties agree that (a) any action brought with respect to this Supplemental Agreement or the 2026 Bonds must be brought in the North Carolina General Court of Justice in Orange County, North Carolina, or (b) if an action by law may be brought only in the United States federal courts, the action must be brought in the United States District Court for the Middle District of North Carolina.

Section 6.06. Liability of Officers and Agents Limited. No officer, agent or employee of the Town, the Trustee or the LGC is subject to any personal liability or accountability by reason of that person's execution of this Supplemental Agreement, the 2026 Bonds, or any other documents related to the transactions contemplated by this Supplemental Agreement. These officers or agents are deemed to execute documents in their official capacities only, and not in their individual capacities. This Section does not relieve any person from the performance of any official duty provided by law, this Supplemental Agreement or the 2026 Bonds.

Section 6.07. Restriction on transfer. Notwithstanding any indication in the Master Agreement to the contrary, the Trustee will not register the transfer of the 2026 Bonds to any person other than (a) a bank, insurance company, or similar financial institution, or (b) any direct or indirect wholly-owned subsidiary either of the Bondholder or of any transferee referenced in (a) (in either case, an "Affiliate"), provided that the Affiliate agrees to transfer the 2026 Bonds to a permitted transferee under this Section before it ceases to be an Affiliate if at the time it ceases to be an Affiliate it would not qualify as a permitted transferee under this Section, or (c) any other entity approved by the LGC. In connection with any transfer, the transferring owner must notify the Trustee that the transfer is permitted under the Trust Agreement. The Trustee shall be fully protected in relying on such notification.

Section 6.08. No Financing Statements. The Town is not providing for the filing of any financing statements under the Uniform Commercial Code as in effect in North Carolina to evidence any security interests created under this Supplemental Agreement.

Section 6.08. Counterparts. This Supplemental Agreement may be signed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 6.09. Definitions; Rules of Interpretation. Unless the context clearly requires otherwise, capitalized terms used in this Supplemental Agreement and not otherwise defined have the meanings set forth in Exhibit A. This Supplemental Agreement will be interpreted in accordance with the rules of interpretation set forth in Exhibit A to the Master Agreement.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered in their corporate names by their duly authorized representatives, all as of March 1, 2026.

ATTEST: (SEAL)

**Town of Hillsborough,
North Carolina**

Sarah Kimrey
Town Clerk

By: _____
Eric Peterson
Town Manager

**U.S. Bank Trust Company,
National Association,
as Trustee**

By: _____
Shawna L. Hale, Vice President

[Third Supplemental Trust Agreement dated as of March 1, 2026]

EXHIBIT A – Definitions

All capitalized terms used in this Third Supplemental Trust Agreement and not otherwise defined have the meanings ascribed thereto in the Master Agreement. In addition, for all purposes of this Supplemental Agreement, unless the context requires otherwise, the following terms have the following meanings.

“2026 Bonds” means the \$8,500,000 Combined Utility Systems Revenue Bonds, Series 2026, issued pursuant to the Master Agreement and this Supplemental Agreement.

“2026 Project” means the following:

(a) renovation and expansion of the Adron F. Thompson Building, including a new welding shop, stockroom for inventory, additional office space, storage and restrooms;

(b) carrying out any additional System improvements the Town may designate to the Trustee in a Town Certificate; and

(c) paying Financing costs related to the 2026 Bonds.

“2026 Project Fund” means the Hillsborough 2026 Project Fund established pursuant to Section 3.01.

“2026 Subaccount of the Interest Account” means the subaccount created and so designated by Section 3.04.

“2026 Subaccount of the Principal Account” means the subaccount created and so designated by Section 3.04.

“2026 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 3.04.

"Additional Payments" means any amounts payable by the Town as a result of its obligations under the 2026 Bonds or the Trust Agreement (other than the Town's obligation to pay principal and interest). This includes any of the Trustee's or the Bondholder's expenses (including legal fees and costs) in prosecuting or defending any action or proceeding in connection with the 2026 Bonds or the Trust Agreement, and any taxes or any other expenses, including, but not limited to, the Bondholder's or the Trustee's administrative or legal costs, licenses, permits, state and local sales

and use or ownership taxes or property taxes that any Bondholder is required to pay as a result of the 2026 Bonds or the Trust Agreement (together with interest that may accrue on any of the above if the Town fails to pay the same, as set forth in the Trust Agreement.

“Bondholder” means the registered owner of the 2026 Bonds from time to time.

“Lender” means Webster Public Finance Corporation, or its successors and assigns as a single registered owner of the 2026 Bonds.

“Master Agreement” means the Master Trust Agreement dated as of May 1, 2018, between the Town and U.S. Bank Trust Company, National Association, as Trustee, as it may be properly amended or supplemented from time to time.

“Payment Date” means each April 1, beginning April 1, 2027.

"Prime Rate" means the rate announced from time to time by Webster Bank, National Association, as its "Prime Rate" as in effect from time to time, whether or not at any time that Webster Bank, National Association or any affiliate thereof is the registered owner of the 2026 Bonds.

“Supplemental Agreement” means this Third Supplemental Trust Agreement, as it may be properly amended or supplemented from time to time.

“Trust Agreement” means the Master Agreement, as supplemented (a) by a First Supplemental Trust Agreement dated as of May 1, 2018, (b) by a Second Supplemental Trust Agreement dated as of February 1, 2020, and (c) by this Supplemental Agreement, as each may be properly amended or supplemented from time to time.

EXHIBIT B – Form of 2026 Bond

Registered Bond Number R-1

March ____, 2026

**UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA**

TOWN OF HILLSBOROUGH, NORTH CAROLINA

Combined Utility Systems Revenue Bond, Series 2026

THE TOWN OF HILLSBOROUGH, NORTH CAROLINA (the "Town"), a municipal corporation of the State of North Carolina, for value received, promises to pay, solely from the Net Receipts and other funds described below and pledged to the payment hereof, to

WEBSTER PUBLIC FINANCE CORPORATION

or registered assigns (the "Bondholder"), the principal sum of

EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS
*******\$8,500,000*******

in principal installments payable on each April 1 as shown on Schedule I, together with interest on the unpaid principal from the date hereof until payment of the entire principal sum at the annual rate of 4.38%, payable on each April 1, beginning April 1, 2027, subject in all cases to prepayment and adjustment as described below.

Because this Bond is subject to partial prepayment, the actual principal amount outstanding on this Bond may be different from the amount determined by reference to Schedule I.

Principal, interest, and any prepayment premium are payable in lawful money of the United States of America. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. In all events, (1) all payments on this Bond will be applied first to interest accrued and unpaid to the payment date and then to principal, and (2) if not sooner paid, the entire principal of and interest on this Bond will be due and payable on April 1, 2046.

Upon any "Rate Adjustment Event," as defined below, (a) the unpaid principal of this Bond will continue to be payable as shown on Schedule I, but (ii) the interest on this Bond will be recalculated, at an interest rate equal to an annualized interest rate equal to the "Prime Rate," as defined below, plus 2% (200 basis points) (retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest became includable in any Bondholder's gross income for federal income tax purposes. The Town shall pay interest at each adjusted rate as in effect from time to time (subject to credit for interest previously paid) to each affected Bondholder, notwithstanding the fact that any particular Bondholder may not be in the same position as Bondholder on the date of a Rate Adjustment Event.

The Town shall additionally pay to the Bondholder any interest, penalties or other charges assessed against or payable by such Bondholder and attributable to a Rate Adjustment Event, notwithstanding the prior repayment of this Bond in full. The Town shall pay these amounts directly to the Bondholder as Additional Payments.

"Rate Adjustment Event" means (i) any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body or (ii) receipt by the Bondholder of an opinion of nationally recognized bond counsel acceptable to the Town, in either case determining in effect that interest on this Bond is includable in gross income for federal income tax purposes as a result of (A) any action the Town takes, or fails to take, or (B) any representation made by the Town being a misrepresentation.

"Prime Rate" means the rate announced from time to time by Webster Bank, National Association, as its "Prime Rate" as in effect from time to time, whether or not

at any time that Webster Bank, National Association or any affiliate thereof is the registered owner of the 2026 Bonds.

This Bond constitutes the entire issue of \$8,500,000 Combined Utility Systems Revenue Bonds, Series 2026, authorized by a Supplemental Bond Order and Series Resolution adopted by the Town's governing Board of Commissioners on March 9, 2026. This Bond is issued under, and is equally and ratably secured by, a Master Trust Agreement dated as of May 1, 2018, as previously supplemented, and a Third Supplemental Trust Agreement dated as of March 1, 2026 (collectively, the "Trust Agreement"), each between the Town and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

This Bond is a special obligation of the Town, payable solely from the "Net Receipts" of the Town's combined public water and sewer system, and the other funds pledged to that payment, all as defined in and as provided in the Trust Agreement. Neither the faith and credit nor the taxing power of the Town are pledged for the payment of the principal of or interest on this Bond, and no owner of this Bond has any right to compel the exercise of the Town's taxing power in connection with any default on this Bond.

Reference is made to the Trust Agreement and all amendments and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Town and the Trustee, the rights of the Bondholder and the terms upon which the Bonds are issued thereunder, to all of which provisions the Bondholder, by the acceptance of this Bond, agrees.

The Town may prepay the outstanding principal component of this Bond at its option on April 1, 2031 and any Business Day thereafter by paying (i) all Additional Payments then due and payable, (ii) all interest accrued and unpaid to the prepayment date, and (iii) 101% of the principal amount to be prepaid if the prepayment occurs between April 1, 2031 and March 31, 2033, and 100% of the principal amount to be prepaid if the prepayment occurs on April 1, 2033 or any Business Day thereafter.

Any partial prepayment must (i) occur on a Payment Date, (ii) occur no more than once during any consecutive 12-month period, and (iii) be in a principal amount of

not less than \$300,000. All partial prepayments will be applied to the then remaining principal balance in inverse order of installments coming due.

The Town will send a prepayment notice to the Bondholder, at its address as it appears on the Trustee's bond register (as provided in the Trust Agreement), not less than 30 days prior to the prepayment date. The Trust Agreement contains other provisions regarding notice and the effect of prepayment, and the selection of Bonds for prepayment if Bonds of this issue are held by more than one Bondholder.

If on or before the date fixed for redemption funds have been deposited with the Trustee to pay the principal and interest accrued to the redemption date, this Bond will cease to accrue interest from and after the redemption date, will no longer be entitled to the benefits provided by the Trust Agreement, and will not be deemed to be Outstanding under the Trust Agreement.

The Owner of this Bond has no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement. Changes to or supplements of the Trust Agreement may be made to the extent and in the circumstances permitted by the Trust Agreement.

Ownership of this Bond will be registered on the Trustee's Bond Register. This Bond may be exchanged, and its transfer may be effected, only by the Owner hereof in person or by attorney duly authorized in writing at the designated office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Bond.

The Trustee will not register the transfer of this Bond except to (a) a bank, insurance company, or similar financial institution, or (b) any direct or indirect wholly-owned subsidiary either of the Bondholder or of any transferee referenced in (a) (in either case, an "Affiliate"), provided that the Affiliate agrees to transfer this Bond to a permitted transferee under this paragraph before it ceases to be an Affiliate if at the time it ceases to be an Affiliate it would not qualify as a permitted transferee under this paragraph, or (c) any other entity approved by the LGC. In connection with

any transfer, the transferring owner must notify the Trustee that the transfer is permitted under the Trust Agreement. The Trustee shall be fully protected in relying on such notification.

Upon exchange or registration of such transfer a new registered Bond of the same maturity, aggregate principal amount and interest rate will be issued in exchange therefor.

The Town and the Trustee shall deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal of and interest due on this Bond and for all other purposes, and neither the Town nor the Trustee will be affected by any notice to the contrary, except that interest payments will be made to the persons shown as Owners on the Trustee's registration books at the end of the calendar day on the 15th day (whether or not a business day) (the "Record Date") of the month preceding each Payment Date.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the execution and delivery of this Bond have happened, exist and have been performed.

The Town intends that North Carolina law will govern this Bond and all matters of its interpretation.

This Bond will not be entitled to any benefit under the Trust Agreement or be valid or obligatory for any purpose until the Trustee has executed the Certificate of Authentication appearing on this Bond.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Town has caused this Bond to be signed, sealed and delivered by duly authorized officers, as of the day and year first above written.

ATTEST: (SEAL)

**Town of Hillsborough,
North Carolina**

Sarah Kimrey, Town Clerk

By: _____
Eric Peterson, Town Manager

This Bond has been approved by the North Carolina Local Government Commission in accordance with the State and Local Government Revenue Bond Act.

Jennifer Wimmer
Deputy Secretary, North Carolina
Local Government Commission

By _____
[Jennifer Wimmer or Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2026 Bonds referred to in the Third Supplemental Trust Agreement dated as of March 1, 2026 (the "Trust Agreement"), between the Town of Hillsborough, North Carolina, and U.S. Bank Trust Company, National Association, as trustee.

Date of Authentication: _____

**U.S. Bank Trust Company National
Association, as Trustee**

By: _____
Authorized Officer

[\$8,500,000 Combined Utility Systems Revenue Bonds, Series 2026]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type transferee’s name and address, including zip code)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE:

[Empty box for Social Security or other identifying number]

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said certificate on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(Signature of Owner)

NOTICE: Signature(s) must be guaranteed by a participant in the Securities Transfer Agent Medallion Program (“STAMP”) or similar program

NOTICE: The signature above must correspond with the name the Owner as it appears on the front of this certificate in every particular without alteration or enlargement or any change whatsoever.

**[Town of Hillsborough, North Carolina]
[\$8,500,000 Combined Utility Systems Revenue Bonds, Series 2026]**

Schedule 1 – Principal and Interest Payment Schedule

[To be included in final form of the bond; will conform to Exhibit C.]

EXHIBIT C – Principal and Interest Payment Schedule

Principal of this Bond is payable on dates and amounts as shown below. Interest is payable on the dates shown below, at the annual rate of 4.38%, calculated on the basis of a 360-day year consisting of twelve 30-day months (subject to prepayment and adjustment as described in the Supplemental Agreement). The table below shows the estimated interest payments.

Date	Principal (\$)	Interest (\$)	Total Payment (\$)
4/1/2027	263,000.00	384,710.00	647,710.00
4/1/2028	287,000.00	360,780.60	647,781.60
4/1/2029	299,000.00	348,210.00	647,210.00
4/1/2030	313,000.00	335,113.80	647,113.80
4/1/2031	326,000.00	321,404.40	647,404.40
4/1/2032	340,000.00	307,125.60	647,125.60
4/1/2033	355,000.00	292,233.60	647,233.60
4/1/2034	371,000.00	276,684.60	647,684.60
4/1/2035	387,000.00	260,434.80	647,434.80
4/1/2036	404,000.00	243,484.20	647,484.20
4/1/2037	422,000.00	225,789.00	647,789.00
4/1/2038	440,000.00	207,305.40	647,305.40
4/1/2039	460,000.00	188,033.40	647,033.40
4/1/2040	480,000.00	167,885.40	647,885.40
4/1/2041	501,000.00	146,861.40	647,861.40

4/1/2042	523,000.00	124,917.60	647,917.60
4/1/2043	546,000.00	102,010.20	647,010.20
4/1/2044	569,000.00	78,095.40	647,095.40
4/1/2045	594,000.00	53,173.20	647,173.20
4/1/2046	620,000.00	27,156.00	647,156.00

EXHIBIT D – Form of Requisition

[Date] _____

U.S. Bank Trust Company, National Association, as trustee

Regarding: Requisition under 2026

Supplemental Trust Agreement for the Town of Hillsborough

214 N. Tryon St., 27th Floor

mailcode CN-NC-H27A

Charlotte, NC 28202-1078

RE: Request by the Town of Hillsborough, North Carolina (the "Town"), for disbursement of funds from a Project Fund created under a Third Supplemental Trust Agreement dated as of March 1, 2026

To the Trustee:

Pursuant to the terms and conditions of the above-referenced Supplemental Agreement, the Town authorizes and requests the disbursement of funds from the "Hillsborough 2026 Project Fund" established under that Supplemental Agreement for the costs described below. Capitalized terms used in this requisition and not otherwise defined have the meanings ascribed in the Supplemental Agreement.

This is requisition number _____ from the Project Fund.

Total Amount for Disbursement	
Payee	
Payee's address or wiring instructions	

The Town makes this requisition pursuant to the following representations:

1. The purpose of this disbursement is for payment of Project Costs of the 2026 Project as provided for in the Trust Agreement.
2. The requested disbursement has not been subject to any previous requisition.

**Town of Hillsborough,
North Carolina**

By: ***[Exhibit Form Only - Do Not Sign]***

Title: _____
Town Representative