

Welcome and Call to Order by Mayor O. Stanhope Anthony III

*Invocation*

*Pledge of Allegiance*

A. Approval of Agenda

*Discussion and revision of the proposed agenda, including consent agenda; adoption of an agenda.*

- 1) Motion to adopt the agenda as proposed or amended

B. Consent Agenda:

*Prior to approval and adoption of the agenda, a Council Member may move an item from the Consent Agenda to the regular agenda. Items remaining on the Consent Agenda will be considered collectively through a single motion and vote.*

- 1) Approval of the Minutes of the Regular Meeting of September 20, 2021 1
- 2) Approval of Special Event Permit Applications: 17
  - a. Shelby High School Homecoming Parade, requested date: October 15, 2021 19
  - b. Cleveland County Veterans Parade, requested date: November 11, 2021 24
  - c. Shining in Shelby 2022, requested dates: May 5 – May 6, 2022 30
- 3) Approval of a resolution supporting the City of Shelby's application for trail construction funds for the Carolina Thread Trail: Resolution No. 59-2021 39

C. Unfinished Business:

- 1) Consideration of approval of an Order authorizing the sale and issuance by the City Of Shelby, North Carolina of a not to exceed \$12,000,000 combined enterprise system revenue refunding bond, Series 2021 and authorizing the execution and delivery of certain documents in connection therewith 42

D. New Business: None 94

E. City Manager's Report 94

F. Council Announcements and Remarks 94

G. Adjournment:

*To adjourn a meeting of City Council, a majority of the Council Members must vote for a motion to adjourn.*

1) Motion to adjourn 94

City of Shelby  
Agenda Item Summary  
October 4, 2021  
Don Gibson Theater

**B. Consent Agenda:**

**Agenda Item: B-1**

- 1) Approval of the Minutes of the Regular Meeting of September 20, 2021

**Consent Agenda Item: (Bernadette Parduski, City Clerk)**

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Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of September 20, 2021

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City Manager's Recommendation / Comments

**Approve the minutes as presented or as amended by the Mayor and City Council via the Consent Agenda.**

## MINUTES

Regular Meeting  
City Hall Council Chamber

September 20, 2021  
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth, Charles Webber, Andrew L. Hopper Sr.; Assistant City Manager Justin S. Merritt, MPA, City Attorney Andrea Leslie-Fite, City Clerk Bernadette A. Parduski, Public Information and Communications Officer Chip Nuhrah, Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Fire Chief William P. Hunt, MPA, EFO, Director of Planning and Development Services Walter (Walt) Scharer, AICP, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Social Media Connections

Mayor Anthony called the meeting to order at 6:00 p.m. and delivered the invocation.

Mr. White led the Pledge of Allegiance.

### A. Approval of agenda:

- 1) Motion to adopt the proposed agenda

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve the agenda as presented.

### B. Special Presentations:

- 1) Recognition of Nicholas Daniel Hamrick on the occasion of his retirement from employment with the City of Shelby

Mayor Anthony called upon Nicholas Daniel Hamrick. The Mayor formally read and presented framed Resolution No. 29-2021 to Mr. Hamrick. He then presented a shadow box, which displays the key to the City and various keepsakes, and a City lapel pin to him in honor of and with heartfelt appreciation for his 31 and a half years of dedicated service at the Water Treatment Plant within the Water Resources Department of the City of Shelby.

Humbled by the recognition, Mr. Hamrick expressed his appreciation to all.

- 2) Transportation Asset Management Plan (TAMP) Update – Ben Yarboro, Director of Engineering Services

Mr. Merritt introduced the subject matter of Mr. Yarboro's presentation entitled, "Transportation Asset Management Plan (TAMP) Update". He stated the TAMP covers five basic areas in scope, including: Pavement Condition Study, Culvert Condition Study, Capital Improvement Plan, Program Financing Model, and the Asset Management Plan itself. Mr. Merritt further stated the plan will ultimately be a guide as to how the City goes about addressing street system repairs in an equitable, data-driven manner and how it will ultimately pay for these repairs. The implementation of the plan is closely tied to the \$10 million bond referendum before the voters on November 2, 2021. If the bonds are approved by the voters, it will allow an acceleration of the scope of work outlined in the TAMP.

Next, Mr. Yarboro began his presentation by reviewing the principles of a Transportation Asset Management Plan with the goal to create an objective prioritization of projects as a strategic and systematic process of operating, maintaining, and upgrading the City's transportation assets including streets, culverts, public parking lots, and sidewalks. He stated the areas of his focus with this updated plan include streets and sidewalks. The total street and sidewalk project costs will be summarized with the \$10 million Street and Sidewalk Improvement Bond to provide the funding, together with any other available funds, to construct, extend, widen, resurface, and improve those assets.

## **STREETS**

Within the Shelby city limits, the City owns and maintains 125.5 miles of public street. The North Carolina Department of Transportation owns and maintains 79.46 miles and 9.23 miles are private streets. Mr. Yarboro mentioned the City of Shelby has 124.89 miles of public streets that are Powell Bill eligible.

Mr. Yarboro discussed street maintenance, noting that asphalt typically lasts 20 to 35 years depending on the quality of construction, traffic, drainage, maintenance, and other factors such as:

- Street sweeping
- Vegetation management
- Asphalt patching
- Utility cut patching
- Pavement markings
- Street rating updates
- Milling to maintain gutter line
- Resurfacing

Regarding the asphalt inspection process, the City completed a Request for Qualifications (RFQ) process and hired Withers Ravenel as the consultant for

the TAMP update. An inspector from Withers Ravenel and the City's Civil Engineer drove and inspected each street segment. The City's street system consists of 125.50 miles of streets and 1,297 street segments. Each street segment receives an independent rating from inputting information into a spreadsheet that calculates a Pavement Condition Rating (PCR). All data is then imported into the City's GIS system where the street segment ratings are included.

Mr. Yarboro discussed the distress categories and scoring of the PCR. The distress items in roadway condition ratings include alligator cracking, block cracking, reflective cracking, rutting, delamination, raveling, bleeding, ride quality, and patching, which are deductions based on the Institute for Transportation Research and Education (ITRE).

Mr. Yarboro reviewed the 2021 TAMP Summary for City Streets Chart which includes 125.5 miles of public streets with 1,297 street segments as follows:

- Grade A Excellent – 26.2 percent
- Grade B Very Good – 22 percent
- Grade C Good – 24 percent
- Grade D Fair – 17 percent
- Grade E Poor – 7 percent
- Grade F Very Poor – 3 percent

Mr. Yarboro provided comparison maps between the 2013 Transportation Asset Management Plan and the 2000-2021 Resurfacing projects of City streets.

Mr. Yarboro discussed the City's resurfacing history as follows:

- Utilizing annual Powell Bill allocation and Stormwater Utility funding, noting the Stormwater Program began to provide funding for milling in Fiscal Year (FY) 2014-2015.
- The City has resurfaced an average of 2.8 miles per year over the last 12 years.
- In 2019 an additional .84 miles was added due to a \$100,000 budget transfer.
- Based on projects from the last six years:
  - Average age of asphalt being replaced is 34.6 years
  - Average miles resurfaced per year is 3.2 miles
  - Average cost per mile is \$129,100
  - Paving cycle for all streets at current rate is 39.2-year cycle

Regarding the current annual funding, Mr. Yarboro stated State Street-Aid (Powell Bill) allocations are made to municipalities based on population

and eligible street mileage as defined in the North Carolina General Statutes.

- **Powell Bill funding is utilized for:**
  - **Maintaining**
  - **City streets**
  - **Sidewalks**
  - **Bridges**
  - **Curbs**
  - **Traffic signals**
  - **Signage**

Mr. Yarboro further stated approximately \$300,000 annually is available for resurfacing. The Stormwater Utility Fee currently provides \$80,000 annually for milling to reclaim flow lines on streets with curb and gutter that are being resurfaced. Over the last six years, Powell Bill funding has decreased by \$63,943 or 10.3 percent.

Mr. Yarboro added during the implementation of work associated with the proposed bond, existing annual funding will continue to be utilized:

- **A portion of the Powell Bill Allocation utilized for resurfacing = \$300,000**
- **The Stormwater Utility Fee utilized for milling asphalt = \$80,000**

During the estimated seven-year implementation of the proposed bond, existing funding will provide approximately \$2.66 million for street improvements. Using Withers Ravenel's average cost of \$169,608 per mile that provides for 15.7 miles of additional resurfacing.

Mr. Yarboro discussed Resurfacing Methodology by reviewing the various Street Selection Considerations for Resurfacing with Blanton Street as an example:

- **Pavement condition rating from TAMP**
- **Maintenance costs**
- **Monitoring rate of asphalt degradation**
- **Ride quality**
- **Drainage**
- **Utility project coordination**
- **Lower mobilization cost**
- **Continuity of new asphalt allows for a smoother ride quality**

As well as Street Grouping Selection to:

- Decrease mobilization costs
- Provide better ride quality
- Utility project continuity
- Avoid creating areas of vastly different asphalt age for future resurfacing projects

Mr. Yarboro presented the 2021 Transportation Asset Management Plan Resurfacing Prioritization Goals:

**THE GOALS OF PRIORITY I – COST \$3,096,416:**

- Eliminate F rated segments
- Includes streets adjoining or otherwise grouped with F rated segments

**THE GOALS OF PRIORITY II COST – \$3,589,144:**

- Eliminate E rated segments
- Includes streets adjoining or otherwise grouped with E rated segments

**THE GOALS OF PRIORITY III COST – \$2,992,861:**

- Eliminate 75 percent D rated segments
- Includes streets adjoining or otherwise grouped with D rated segments

**THE GOALS OF PRIORITY IV COST – \$1,305,965:**

- Eliminate D rated segments
- Includes streets adjoining or otherwise grouped with D rated segments

**TOTAL MILEAGE REPAIRED 60.45 MILES OR 48.2 PERCENT AT A COST OF \$10,984,386**

## **SIDEWALKS**

Mr. Yarboro discussed Sidewalk Ownership and stated the following:

- The City owns 30.64 miles in the public right-of-way.
- The City owns 5.87 miles on City property.
- The North Carolina Department of Transportation owns 18.56 miles in the public right-of-way.
- There are 7.13 miles privately owned.



- The total of public sidewalks equals 49.2 miles.

Mr. Yarboro proposed the following Potential Sidewalk Maintenance Plan, including:

- 49.2 miles of public sidewalks equals 259,776 Linear Feet (LF)
- \$1.00 per LF for sidewalk edging and removal of debris
- \$0.50 per LF for vegetation management

Mr. Yarboro stated each year \$43,300 is annually budgeted for edging and debris removal. This would maintain approximately 8.2 miles, totaling \$259,800.

Mr. Yarboro stated each year \$21,700 is annually budgeted for vegetation management. This would maintain approximately 8.2 miles, totaling \$130,200.

Mr. Yarboro noted the total budget for sidewalk maintenance equals \$390,000.

Mr. Yarboro proposed the following Sidewalk Potential Expansions, Repairs, and Replacements, including:

**Estimated Unit Costs**

- \$10 per SF for concrete
- \$1,500 per ADA ramp

**Potential Expansions**

- 1 Mile
- Within City ROW           \$200,000
- Within NCDOT ROW       \$ 80,000

**Potential Repairs**

- Within City ROW           \$100,000

**Potential Replacements**

- 2.5 Miles
- Within City ROW           \$800,000
- Within NCDOT ROW       \$ 80,000

**TOTAL**

3.5 Miles at \$1,260,000

To conclude, Mr. Yarboro stated the Street and Sidewalk Cost Summary includes:

- Street Resurfacing (for Priorities I – IV) = \$10,984,386
- Sidewalk Maintenance = 390,000
- Sidewalk Repairs and Replacements = 1,260,000

**TOTAL STREET AND SIDEWALK PROJECT COSTS = \$12,634,386**

**Annual Powell Bill and Stormwater Funding (7-year total) = 2,660,000**

**Funding needed to complete proposed street and sidewalk work = 9,974,386**

Mayor Anthony, Council members, and Mr. Yarboro concurred the voters of Shelby have an opportunity on November 2, 2021 to approve a bond referendum related to the \$10 million in funding for this Street and Sidewalk Improvements Project.

Council received the information and took no action.

**C. Public Comment:**

- 1) Marty Pendergraft who resides at 4633 Ellenboro Road in Mooresboro, North Carolina stated he serves as the Chair of the Cleveland County Veterans' Advisory Council. He said the Advisory Council respects and recognizes the service and sacrifices of all Shelby and Cleveland County veterans from all the branches of the United States military service. Mr. Pendergraft is seeking Mayor Anthony and Council's support for veterans by inviting the board members to participate in the Veterans Day Parade and Program to be held on November 11, 2021.
- 1) Gary Leign who resides at 922 Surrey Drive in Shelby, North Carolina spoke to raise awareness of the issue of homelessness in Shelby and Cleveland County. Mr. Leign is active in an organization known as Trailhead Resources assisting individuals who are unsheltered with basic needs. He stated currently there are no emergency shelters for women, children, or men in Shelby or Cleveland County. Mr. Leign and Trailhead Resources are attempting to open a men's emergency shelter before this winter. As Trailhead Resources gains providers and resources, he believes the issue of homelessness can be solved with a grassroots collaborative effort.

**D. Public Hearings:**

1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (*818 Hamrick Street*): Ordinance No. 34-2021

Mr. Scharer introduced a zoning map amendment for the property located at 818 Hamrick Street from Residential 8 (R8) zoning district to Residential 6 – Conditional Zoning (R6-CZ) zoning district. Utilizing a location map, a zoning map, the future land use map, and the site plan he pointed to the subject property at 818 Hamrick Street, located at the corner of Hamrick Street and West Dixon Boulevard. Mr. Scharer stated the applicant, Trade Street Townhomes, LLC, is proposing a multi-family development of 10 units and associated parking and other features. The City is requiring sidewalk along Hamrick Street. He further stated the Comprehensive Land Use Plan for this area designates the site as Corridor Revitalization. The application is consistent with the Shelby Comprehensive Land Use Plan.

Mr. Scharer added this proposed conditional zoning map amendment is so that the proposed apartment complex is developed in accordance with the submitted site plan. The proposal is for a 10-unit Hamrick Street Apartment complex. The applicant, Trade Street Townhomes, LLC, is proposing the following conditions:

- A reduced setback of 15-foot front, 5-foot side, and 15-foot rear setback.
- An improved 15-foot-wide buffer screening from neighboring properties and West Dixon Boulevard.
- Improved dumpster screening.
- A 6 to 8-foot privacy fence on the southern property line.
- Increase in density from 8 to 10 units.

Mayor Anthony opened the public hearing at 6:40 p.m. and invited comments from the public:

The public offered the following comments:

- 1) Kory Hedrick who resides at 1315 Bedlington Drive in Charlotte, North Carolina, represented Trade Street Townhomes, LLC as the applicant. Mr. Hedrick spoke in support of the application for the Hamrick Street Apartments project. He provided a presentation which is incorporated herein and made a part of these Minutes.

Mr. Hedrick summarized the Project Background as follows:

- Trade Street Townhomes identified property
- Planning staff indicated the Land Use Plan would support High Density

- Prepared initial site plan
- Received Planning staff support
- Planning staff provided helpful feedback regarding supplemental plantings for the buffer, requested sidewalk along Hamrick Street, and requested that Trade Street Townhomes flip the location of the dumpster
- Site plan revised in preparation for Planning and Zoning Board
- Planning staff did require attendance at Planning and Zoning Board
- Based on feedback from Planning and Zoning Board, Trade Street Townhomes reduced the width of the building to maximize separation from neighboring property
- Trade Street Townhomes reduced the unit count from 12 to 10
- 10 units now allow Trade Street Townhomes to meet the required parking per the zoning ordinance
- Prepared preliminary elevations of the building

During his presentation, Mr. Hedrick provided a rendering of Hamrick Street Apartments, which is similar to a project currently underway in the City of Charlotte. He concluded by stating Hamrick Street Apartments could draw in a variety of renters from senior citizens and students to single professionals and couples.

- 2) Kevin Brown who resides at 3111 Cramer Pond Drive in Charlotte, North Carolina represented Trade Street Townhomes, LLC, a sister company of K2 Development NC, LLC, as the applicant. Mr. Brown spoke in support of the application for the Hamrick Street Apartments project. He stated the project represents an improvement to the area and all the suggested adjustments have been made.
- 3) Robin Ketner who resides at 1938 Candlewick Drive in Fort Mill, South Carolina spoke in support of the application for the Hamrick Street Apartments project. Miss Ketner stated she is the owner of the property which she inherited from her grandparents. She further stated the surrounding properties are mostly commercial, but this corner seems to have been neglected. Miss Ketner added the vacant lot, and the neighboring neglected properties could have new life while also addressing the need for more housing in the community. The project could serve a need for Shelby citizens and provide a much-needed cosmetic update to this area.

Mayor Anthony closed the public hearing at 6:58 p.m.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Ordinance No. 34-2021 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA".

**4) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina (*Lithia Springs Road, Parcel Number 61323*): Ordinance No. 35-2021**

**Mr. Scharer introduced a zoning map amendment for the vacant property located on Lithia Springs Road from Residential 20 (R20) zoning district to General Business 2 – Conditional Zoning (GB2-CZ) zoning district. Utilizing a location map, a zoning map, the future land use map, and the site plan he pointed to the subject property along Lithia Springs Extension Road on the McNeilly Photography and Framing lot. Mr. Scharer stated the applicant, Spencer Borders of Foothills Commercial Real Estate, is proposing to allow his client to build a warehouse for a screen-printing business in the former McNeilly Photography and Framing building on Fallston Road. He further stated the Shelby Comprehensive Land Use Plan for this area designates the site as a Conservation Development Area. This proposed zoning map amendment is inconsistent with the Shelby Comprehensive Land Use Plan. The Planning and Zoning Board recommended this proposed zoning amendment due to the property’s location and propensity for future redevelopment in the area.**

**Mr. Scharer concluded by stating this proposed conditional zoning map amendment is so that the proposed warehouse is developed in accordance with the submitted site plan and the following conditions:**

- **In lieu of sidewalks on the subject property, sidewalks will be installed on adjacent parcel (49781) along Fallston Road.**
- **Street yard trees (2) will be installed on the front.**
- **Buffer 4, which is 6 large maturing trees, 3 small maturing trees, and 28 shrubs every 100 linear feet that is 15 foot wide will be installed along the sides of the property. Existing vegetation may serve as the rear buffer area. Existing vegetation area must be maintained. If the existing vegetation is removed or cut, it must be replaced with the above-mentioned Buffer 4.**
- **Paved access drive will be in the front of the building.**
- **Parking will be on the adjacent parcel (49781).**
- **Approximately 9,000 SF storage building built to code.**

**Mayor Anthony opened the public hearing at 7:07 p.m. and invited comments from the public.**

**The public offered the following comments:**

- 1) Spencer Borders who resides at 1101 East Sanders Road in Shelby, North Carolina appeared as the applicant and spoke in support of the project.**

- 2) Lindsey Allen who resides at 1207 Lithia Springs Extension Road in Shelby, North Carolina was not present, declining to speak.
- 3) Larry Black who resides at 1215 Lithia Springs Extension Road in Shelby, North Carolina was not present, declining to speak.
- 4) William Ross who resides at 1217 Lithia Springs Extension Road in Shelby, North Carolina was not present, declining to speak.

Mayor Anthony closed the public hearing at 7:11 p.m.

**ACTION TAKEN:** Upon a motion made by Miss Arth, City Council voted unanimously to approve and adopt Ordinance No. 35-2021 entitled, “A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA”.

**E. Consent Agenda:**

Mayor Anthony presented the consent agenda. Mr. Hopper moved to approve the consent agenda and the following items were unanimously adopted:

- 1) Approval of the Minutes of the Regular Meeting of August 16, 2021
- 2) Management Reports:
  - a. Planning and Development Monthly Summary – July 2021
  - b. Raper Roark Trust Fund – City of Shelby Fiscal Years ended June 30, 2017 – 2021
- 3) Approval of a resolution supporting the nomination of City Manager Rick Howell as director to the Electricities of North Carolina, Inc. Board of Directors: Resolution No. 57-2021
- 4) Adoption of a budget ordinance amendment for the City of Shelby’s Windsor Drive and Montrose Drive Natural Gas System Infrastructure Improvements Project: Ordinance No. 36-2021
- 5) Adoption of a Fiscal Year (FY) 2021-2022 Budget Ordinance Amendment No. 1: Ordinance No. 37-2021

- 6) Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's City Park Pool Renovation Project: Ordinance No. 38-2021

**F. Unfinished Business:**

- 1) Consideration of a resolution authorizing and awarding a contract for the purchase of a Pierce Enforcer Pumper Type Fire Apparatus utilizing the "competitive bidding group purchasing method": Resolution No. 55-2021

Mr. Merritt introduced Resolution No. 55-2021 for Council's consideration. If approved, this resolution would authorize the purchase of a Pierce Enforcer Pumper Type Fire Apparatus through a Group Purchasing Organization (GPO), allowing for an exception to the normal bidding process when purchases are made through a competitive bidding group purchasing program. This is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies. Mr. Merritt stated this item involves the purchase of a fire pumper truck apparatus which was discussed during the budget process for Fiscal Year 2021-2022. Purchase of this apparatus will allow the City to move the 1987 E-One Reserve Engine out of service and the 2004 Engine No. 32 to reserve.

Next, Chief Hunt reiterated the purchase of the Pierce Enforcer Pumper will allow the Shelby Fire and Rescue Department to achieve improvements in its fleet particularly in the areas of reliability and capability, both on the frontline and reserve status as well. The new truck is scheduled to go into frontline service at Fire Station 2, replacing the 2004 E One Pumper while placing it in reserve status. The 1987 truck will then be moved to surplus status.

**ACTION TAKEN:** Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 55-2021 entitled, "A RESOLUTION AUTHORIZING AND AWARDED A CONTRACT FOR THE PURCHASE OF A PIERCE ENFORCER PUMPER TYPE FIRE APPARATUS UTILIZING THE 'COMPETITIVE BIDDING GROUP PURCHASING METHOD'."

**G. New Business:**

- 1) Consideration of a resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission, requesting the Local Government Commission to sell the bond at a private sale, approving a proposal to purchase such bond and approving the financing team in connection with the issuance of a revenue refunding bond by the City of Shelby, North Carolina: Resolution No. 58-2021

Mr. Merritt introduced Resolution No. 58-2021 for Council's consideration. If approved, this resolution would authorize the filing of an application with the North Carolina Local Government Commission seeking to refund certain City utility system debt.

Mr. Merritt explained the City has an opportunity to realize significant debt service savings through refunding Series 2010 (Projects included: Eastside Water Line, Westside Water Line, Hallelujah Acres Sewer Extension, Westside Water Line, and PPG Regulator Station); Series 2013A (Projects included: Electric substation upgrades, Broad River Water Line, Water Treatment Plant Upgrade, and Sewer Service to Annexations); Series 2013C (Projects included: Wastewater Treatment Plant Intake, Lattimore Sewer Line, and Eastside Sewer Line); and Series 2015 (Project included: East Water Tank) revenue bonds. This is achievable through favorable rates available in credit markets currently.

Mr. Merritt stated after analysis of rate options for the private and public placement of the bonds, as well as consideration of the benefits and limitations of each scenario, it has become clear that a private placement with Truist Bank (formerly BB&T) will be the most beneficial path for the City. An important step in this process is the approval of a Preliminary Resolution by City Council. This Resolution defines what bonds will be refunded and states that Council does wish to proceed with the refunding. Additionally, this resolution sets some basic guidelines such as reasonable cost estimates will be used, no rate increases will be associated with the refunding, and sets a minimum for net present value savings for the refunding.

Mr. Merritt further stated this is just the first of several actions that will need to be taken by City Council as the City continues through the refunding process and each action will provide more detailed information to Council.

Mr. Merritt concluded by stating this process would refinance approximately \$12 million of previously issued revenue bonds with an estimated savings over time of approximately \$515,000. He shared the savings summary:

- Water – 50 percent
- Sewer – 33 percent
- Natural Gas – 10 percent
- Electric – 7 percent

**ACTION TAKEN:** Upon a motion made by Mr. Causby, City Council voted unanimously to approve and adopt Resolution No. 58-2021 entitled, "A RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL THE BOND AT A PRIVATE SALE, APPROVING A



**PROPOSAL TO PURCHASE SUCH BOND AND APPROVING THE FINANCING TEAM IN CONNECTION WITH THE ISSUANCE OF A REVENUE REFUNDING BOND BY THE CITY OF SHELBY, NORTH CAROLINA”.**

**H. Assistant City Manager’s Report:**

- 1) **Mr. Merritt updated Council regarding the General Obligation Bond Referendum process:**
  - **September 14, 2021 – City’s application to the Local Government Commission for the issuance of GO bonds was approved.**
  - **November 2, 2021 – Bond referendum appears on the election ballot for voter approval.**
  - **December 4, 2021 – City Council adopts a resolution that certifies the results of the election.**
- 2) **Regarding Shell Building No. 4, Mr. Merritt stated the request for contractor pre-qualification statements has been published and are due October 5, 2021.**
- 3) **Mr. Merritt reported the contract with CHA Consulting, Inc. to perform professional services including planning, design, and construction administration for the Shelby Aquatics Center Renovation Project has been executed with construction bidding to begin in early 2022 and completion anticipated in May 2022.**
- 4) **Regarding Shelby-Cleveland County Regional Airport T-Hangar No. 4 Project, Mr. Merritt stated the contractor has been issued a notice to proceed with the concrete slab to be poured followed by site work to begin in November 2021, steel to be delivered in January 2022, and completion of the project anticipated in Spring 2022.**
- 5) **Mr. Merritt announced the City of Shelby’s Stormwater Division and Keep Shelby Beautiful Commission are sponsoring a Creek Cleanup Event on October 2, 2021, from 10:00 a.m. to 12:00 noon, meeting at Carolina Energies located at 515 North Dekalb Street.**
- 6) **Mr. Merritt provided an update regarding the First Broad River Trail suspension bridge repairs which are in progress and at least 30 days from completion.**

**I. Council Announcements and Remarks:**

- 1) **Mayor Anthony provided information shared in a joint press conference held today at the LeGrand Center about COVID-19 and the critical impact on the Cleveland County community and its health care systems.**

Community and health leaders met with the media to address what they called a county-wide crisis, referring to the surge of COVID-19 cases plaguing Cleveland County. The meeting included staggering statistics along with a discussion about the strain on local hospitals. As the surge continues, Mayor Anthony urged all to get vaccinated and to wear your masks.

The Mayor proposed moving next month's meeting back to the Don Gibson Theatre or going back to virtual meetings on Zoom. Several Council members echoed the Mayor's concerns, encouraging the public to lessen the burden by taking the vaccine. After the discussion, Council voted 4 (Hendrick, Arth, Webber, and Hopper) to 2 (White and Causby) in favor of returning to the Don Gibson Theatre, noting the October 4, 2021 meeting would be held in the larger space.

- 2) Mr. Webber commended Mr. Merritt for his handling of the meeting and supported the efforts of locating an emergency shelter in Shelby.
- 3) Mayor Anthony and Council members collectively sent their best wishes to City Manager Rick Howell for a speedy recovery.

**J. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Mr. Hendrick, City Council voted unanimously to adjourn the meeting at 7:36 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC  
City Clerk

O. Stanhope Anthony III  
Mayor

Minutes of September 20, 2021

City of Shelby  
Agenda Item Summary  
October 4, 2021  
Don Gibson Theater

Agenda Item: B-2

2) Approval of Special Event Permit Applications:

- a. Shelby High School Homecoming Parade, requested date: October 15, 2021
- b. Cleveland County Veterans Parade, requested date: November 11, 2021
- c. Shining in Shelby 2022, requested dates: May 5 – May 6, 2022

**Consent Agenda Item: (Bernadette A. Parduski, City Clerk)**

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- Memorandum dated September 28, 2021 from Bernadette A. Parduski, City Clerk to Rick Howell, City Manager
- Memorandums from Bernadette A. Parduski, City Clerk to Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Parks and Recreation Director Charlie Holtzclaw, Public Works Director Danny Darst, Assistant Director Public Works Scott Black, Planning and Development Services Director Walt Scharer, Director of Water Resources David W. Hux, Director of Engineering Services Ben Yarboro, Director or Energy Services Julie McMurry

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City Manager's Recommendation / Comments

**These events are in keeping with special event practices of the City. It is my recommendation that this item be approved by City Council at this time via the Consent Agenda.**

# Memo

**To:** Rick Howell, City Manager  
**From:** Bernadette A. Parduski, City Clerk  
**Date:** September 28, 2021  
**Re:** Special Event Permit Applications

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## BACKGROUND:

Special Event Permit Applications have been submitted for the following:

- ✓ Shelby High School Homecoming Parade, requested date: October 15, 2021
- ✓ Cleveland County Veterans Parade, requested date: November 11, 2021
- ✓ Shining in Shelby 2022, requested dates: May 5 – May 6, 2022

## REVIEW:

All responding City departments have received, reviewed, and approved the referenced applications.

## RECOMMENDATION:

Please place the attached Special Event Permit Applications on the Consent Agenda of October 4, 2021 for Council's review and approval.

## ATTACHMENTS:

- A. Special Event Permit Application packet received September 8, 2021
- B. Special Event Permit Application packet received September 17, 2021
- C. Special Event Permit Application packet received August 23, 2021

# Memo

**To:** Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Public Works Director Danny Darst, Assistant Director of Public Works Scott Black, Parks & Recreation Director Charlie Holtzclaw, Planning and Development Services Director Walt Scharer, Director of Energy Resources Julie McMurry, Director of Water Resources David Hux, and Director of Engineering Services Ben Yarboro

**From:** Bernadette A. Parduski, City Clerk

**CC:** Rick Howell, City Manager

**Date:** September 13, 2021

**Re:** Special Event Permit Application

All:

Attached you will find a Special Event Permit Application submitted by Principal David Allen of Shelby High School as follows:

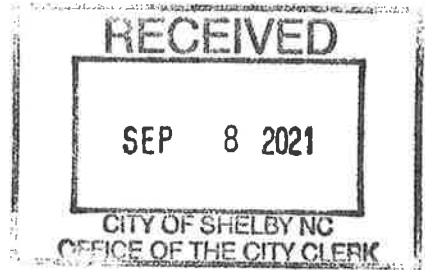
- ✓ Shelby High School Homecoming Parade, requested date: October 15, 2021

Please carefully review the details of this application as it pertains to your department, and let me know of any anticipated problems/objections that you would like to bring to the attention of the City Council. If there are none, please let me know that as well. The event will be considered by City Council at the October 4, 2021 meeting and recommended for approval unless you advise otherwise. If I do not hear from you by September 27, 2021, it will be assumed that you agree with the application as presented.

As always, thanks for your attention and consideration.

Attachment

CITY OF SHELBY  
SPECIAL EVENT PERMIT APPLICATION



Each question must be legible and answered clearly and completely. Applications must be filed with the City Clerk not less than thirty (30) days before the date on which the event is to take place. A fee of \$20.00 will be due upon submission of the application form.

1. EVENT NAME:

Shelby High Homecoming Parade

2. PURPOSE AND BRIEF DESCRIPTION OF EVENT:

Homecoming Parade - about 60 units.

3. LOCATION OF EVENT (ATTACH MAP):

Start @ corner of Lafayette and Dorton St.  
Finish @ corner of Lafayette and Graham.

4. PLEASE INDICATE:

Approximately how many people will attend the event? 500  
Approximately how many vehicles will be present? 60-65  
Approximately how many animals will be present? none

If the event is a parade, please indicate the amount of street that will be needed:

Single lane \_\_\_\_\_  
All lanes in travel direction \_\_\_\_\_  
Whole street ✓ - Lafayette from Dorton St. to Graham

**5. PLEASE LIST THE FOLLOWING PARTY (IES) RESPONSIBLE FOR THE EVENT:**

Name: David Allen Shelby High School

Address: 230 E. Dixon Blvd.

Phones: 704-476-8325 (Daytime) 704-477-0175 (Evening)

E-mail address: dralen@clevelandcountyschools.org

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

Address: \_\_\_\_\_

Phones: \_\_\_\_\_ (Daytime) \_\_\_\_\_ (Evening)

E-mail address: \_\_\_\_\_

**6. PLEASE LIST THE FOLLOWING:**

Requested day(s) and date(s) Friday, October 15

Alternate day(s) and date(s) Thursday, October 14

Requested hours of operation, from 3:30 AM/PM to 5:00 AM/PM

**7. EVENT NOTIFICATION TO RESIDENTS AND BUSINESSES:** As an event planner, you are responsible for notifying the neighbors and businesses in the surrounding area of your event. The City requires notifying as many businesses and residents around the event site as possible as early as possible. Please provide your plan of notification at the time you submit your permit application.

**8. SANITATION:** Please attach your "Plan for Clean-Up." Please check Application Instruction sheet for details.

**9. AVAILABILITY OF FOOD, BEVERAGES, AND/OR**

**ENTERTAINMENT:** If there will be music, sound amplification, or any other noise impact, please describe on attached sheet, including the intended hours of the music, sound, or noise.

Will alcoholic beverages be served?       No      

If yes, attach to the application a copy of your permit from the Cleveland County Alcoholic beverage Control Board. Alcohol may not be served without a permit.

Will food and/or no-alcoholic beverages be served?       No      

If yes, attach to the application a copy of your permit from the Cleveland County Department of Health Services.

**10. SECURITY AND SAFETY PROCEDURES:** Attach to this application a copy of your building permit(s) if you are installing any electrical wiring on a temporary or permanent basis and/or if you are building any temporary or permanent structures such as bleachers, scaffolding, a grandstand, viewing stands, stages, or platforms.

Attach a copy of your Shelby Fire & Rescue Department Permit or permits to this application if you will use parade floats; an open flame; fireworks; or pyrotechnics; vehicle fuel; cooking facilities; enclosures (and tables within those enclosures); tents; air-supported structures; and/or any fabric shelter.

Give name, address, and phone numbers of the agency or agencies, which will provide first aid staff and equipment. Attach additional sheets if necessary.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phones: \_\_\_\_\_

Indicate medical services that will be provided for the event.

AMBULANCE: \_\_\_\_\_  
DOCTOR (S): \_\_\_\_\_  
PARAMEDICS: \_\_\_\_\_



**11. CITY SERVICES/EQUIPMENT REQUESTED FOR THIS EVENT:**

Block Streets  
Police Presence

**12. ANY ADDITIONAL COMMENTS:**

We will provide signage on each vehicle to wear masks and maintain social distancing. We can also use sidewalk chalk to mark off the sidewalk for patrons if you want us to.

**THE CITY OF SHELBY IS NOT A CO-SPONSOR OF THE EVENT**

It is understood and agreed that any permit issued pursuant to this application is issued on the condition that the answers herein given are true and correct to the best of the knowledge, information, and belief of the applicant.

  
SIGNATURE

Shelby High School                      704-476-8325  
APPLICANT    PHONE

230 E. Dixon Blvd.  
PHYSICAL ADDRESS

allen@clevelandcountyschools.org  
E-MAIL ADDRESS

9/8/21  
DATE

# Memo

**To:** Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Public Works Director Danny Darst, Assistant Director of Public Works Scott Black, Parks & Recreation Director Charlie Holtzclaw, Planning and Development Services Director Walt Scharer, Director of Energy Resources Julie McMurry, Director of Water Resources David Hux, and Director of Engineering Services Ben Yarboro

**From:** Bernadette A. Parduski, City Clerk

**CC:** Rick Howell, City Manager

**Date:** September 28, 2021

**Re:** Special Event Permit Application

All:

Attached you will find a Special Event Permit Application submitted by Marty Pendergraft as follows:

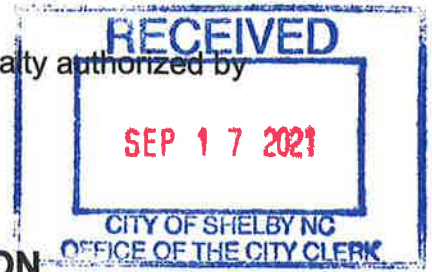
- ✓ Cleveland County Veterans Parade, requested date: November 11, 2021

Please carefully review the details of this application as it pertains to your department, and let me know of any anticipated problems/objections that you would like to bring to the attention of the City Council. If there are none, please let me know that as well. The event will be considered by City Council at the October 4, 2021 meeting and recommended for approval unless you advise otherwise. If I do not hear from you by September 30, 2021, it will be assumed that you agree with the application as presented.

As always, thanks for your attention and consideration.

Attachment

criminal in nature, shall be subject to the maximum penalty authorized by G.S. 14-4, as amended.



## CITY OF SHELBY SPECIAL EVENT PERMIT APPLICATION

Each question must be legible and answered clearly and completely. Applications must be filed with the City Clerk not less than thirty (30) days before the date on which the event is to take place. A fee of \$20.00 will be due upon submission of the application form.

**1. EVENT NAME:**

Cleveland County Veterans Parade

**2. PURPOSE AND BRIEF DESCRIPTION OF EVENT:**

Recognize and Honor our local Veterans

**3. LOCATION OF EVENT (ATTACH MAP):**

Staging Area Market St. TR onto West  
Graham St, TL onto South Lafayette St,  
TL onto West marion st, End Bobby Bell Pavilion.

**4. PLEASE INDICATE:**

Approximately how many people will attend the event? 150

Approximately how many vehicles will be present? 75

Approximately how many animals will be present? 0

If the event is a parade, please indicate the amount of street that will be needed:

Single lane \_\_\_\_\_

All lanes in travel direction \_\_\_\_\_

Whole street Whole Street

**5. PLEASE LIST THE FOLLOWING PARTY (IES) RESPONSIBLE FOR THE EVENT:**

Name: Marty Pendergraft

Address: 4633 Ellenboro Rd, Mooresboro, NC

Phones: cell 704 287 8912  
(Daytime) (Evening)

E-mail address

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

Address: \_\_\_\_\_

Phones: \_\_\_\_\_  
(Daytime) (Evening)

Marty.pendergraft@gmail.com  
E-mail address

**6. PLEASE LIST THE FOLLOWING:**

Requested day(s) and date(s) Thursday, 11 November 2021

Alternate day(s) and date(s) \_\_\_\_\_

Requested hours of operation, from 9:00  AM  PM to 11:00  AM  PM

**7. EVENT NOTIFICATION TO RESIDENTS AND BUSINESSES:** As an event planner, you are responsible for notifying the neighbors and businesses in the surrounding area of your event. The City requires notifying as many businesses and residents around the event site as possible as early as possible. Please provide your plan of notification at the time you submit your permit application.

**8. SANITATION:** Please attach your "Plan for Clean-Up." Please check Application Instruction sheet for details.

**9. AVAILABILITY OF FOOD, BEVERAGES, AND/OR ENTERTAINMENT:**

If there will be music, sound amplification, or any other noise impact, please describe on attached sheet, including the intended hours of the music, sound, or noise.

Will alcoholic beverages be served? NO

If yes, attach to the application a copy of your permit from the Cleveland County Alcoholic beverage Control Board. Alcohol may not be served without a permit.

Will food and/or no-alcoholic beverages be served? NO

If yes, attach to the application a copy of your permit from the Cleveland County Department of Health Services.

**10. SECURITY AND SAFETY PROCEDURES:** Attach to this application a copy of your building permit(s) if you are installing any electrical wiring on a temporary or permanent basis and/or if you are building any temporary or permanent structures such as bleachers, scaffolding, a grandstand, viewing stands, stages, or platforms.

Attach a copy of your Shelby Fire & Rescue Department Permit or permits to this application if you will use parade floats; an open flame; fireworks; or pyrotechnics; vehicle fuel; cooking facilities; enclosures (and tables within those enclosures); tents; air-supported structures; and/or any fabric shelter.

Give name, address, and phone numbers of the agency or agencies, which will provide first aid staff and equipment. Attach additional sheets if necessary.

Name: Atrium Health Cleveland  
Address: 201 E. Grover St. Shelby  
Phones: 980 487 3000

Indicate medical services that will be provided for the event.

AMBULANCE: EMS - Shelby 704 484-4822  
DOCTOR (S): \_\_\_\_\_  
PARAMEDICS: \_\_\_\_\_

**11. CITY SERVICES/EQUIPMENT REQUESTED FOR THIS EVENT:**

TCP  
ROAD CLOSURES

**Event Power Request Form and Pricing**

To utilize the event panels for power in Uptown Shelby, this form must be submitted with event application and payment made at time of application.

Please use the map below for event panel locations, circle the event panels that you need for your event. If you have questions about the electrical requirements for your event, please contact the Electric Superintendent at 704-669-6649.

*NONE Requested*

Name of Special Event: \_\_\_\_\_

Authorize Event/Vendor Coordinator: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Mobile No.: \_\_\_\_\_

Email: \_\_\_\_\_

**Event panel (EP) cost is \$15.00 per day per event panel.**

**Stage panel (STG PAN) cost is \$110.00 per day per stage panel.**

**Full Day Rentals only**

Total Number of Event Panels:

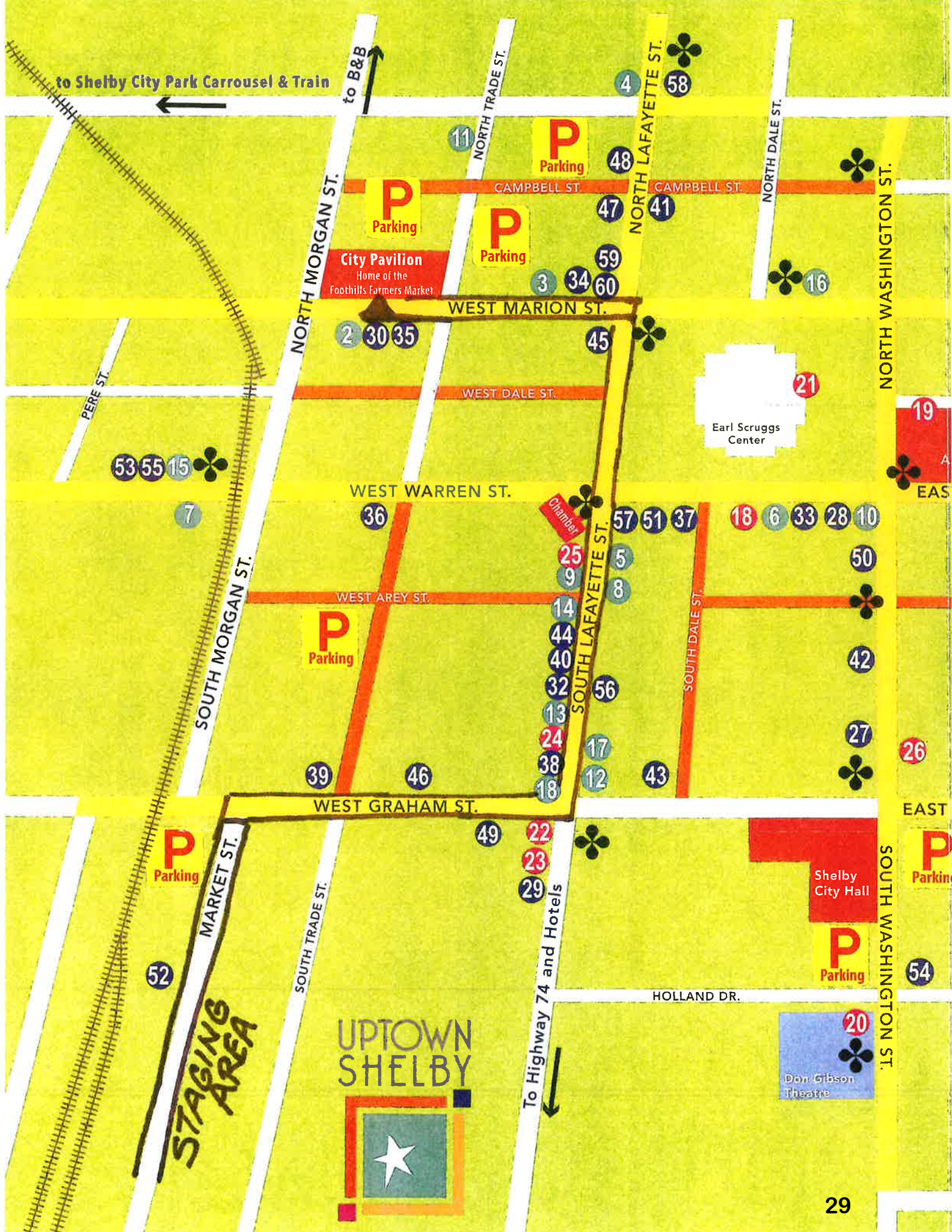
\_\_\_\_\_ x \$15.00 x Number of Days \_\_\_\_\_ = \$ \_\_\_\_\_

Total Number of Stage Panels:

\_\_\_\_\_ x \$110.00 x Number of Days \_\_\_\_\_ = \$ \_\_\_\_\_

**All fees must be paid at the time of event application.**

**Any event panel not requested and paid for in advance and requested the day of the event will be subject to an after-hours charge.**



to Shelby City Park Carousel & Train

to B&B

To Highway 74 and Hotels

UPTOWN  
SHELBY

STAGING  
AREA

# Memo

**To:** Police Chief Jeff Ledford, Fire Chief William Hunt, Fire Marshal Phil Lane, Public Works Director Danny Darst, Assistant Director of Public Works Scott Black, Parks & Recreation Director Charlie Holtzclaw, Planning and Development Services Director Walt Scharer, Director of Energy Resources Julie McMurry, Director of Water Resources David Hux, and Director of Engineering Services Ben Yarboro

**From:** Bernadette A. Parduski, City Clerk

**CC:** Rick Howell, City Manager

**Date:** September 1, 2021

**Re:** Special Event Permit Application

All:

Attached you will find a Special Event Permit Application submitted by Roger Holland as follows:

- ✓ Shining in Shelby 2022, requested dates: May 5 – May 6, 2022

Please carefully review the details of this application as it pertains to your department, and let me know of any anticipated problems/objections that you would like to bring to the attention of the City Council. If there are none, please let me know that as well. The event will be considered by City Council at the October 4, 2021 meeting and recommended for approval unless you advise otherwise. If I do not hear from you by September 10, 2021, it will be assumed that you agree with the application as presented.

As always, thanks for your attention and consideration.

Attachment



criminal in nature, shall be subject to the maximum penalty authorized by G.S. 14-4, as amended.



### CITY OF SHELBY SPECIAL EVENT PERMIT APPLICATION

Each question must be legible and answered clearly and completely. Applications must be filed with the City Clerk not less than thirty (30) days before the date on which the event is to take place. A fee of \$20.00 will be due upon submission of the application form.

**1. EVENT NAME:**

SHINING IN SHELBY 2022

**2. PURPOSE AND BRIEF DESCRIPTION OF EVENT:**

AN URBAN AIRSTREAM RALLY FOR THE WEEKEND  
IN UPTOWN SHELBY

**3. LOCATION OF EVENT (ATTACH MAP):**

SEE ATTACHED

**4. PLEASE INDICATE:**

Approximately how many people will attend the event? 70

Approximately how many vehicles will be present? 35

Approximately how many animals will be present? (SOME PET DOGS)

If the event is a parade, please indicate the amount of street that will be needed:

Single lane NA

All lanes in travel direction NA

Whole street \_\_\_\_\_

**5. PLEASE LIST THE FOLLOWING PARTY (IES) RESPONSIBLE FOR THE EVENT:**

Name: ROGER HOLLAND

Address: 208 DEERCHASE RD. SHELBY, NC 28150

Phones: 704-472-4109 SAME  
(Daytime) (Evening)

roger@h-architects.com  
E-mail address

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

Address: \_\_\_\_\_

Phones: \_\_\_\_\_  
(Daytime) (Evening)

\_\_\_\_\_  
E-mail address

**6. PLEASE LIST THE FOLLOWING:**

Requested day(s) and date(s) MAY 5 - HANNA PARK / MAY 6 - UPTOWN

Alternate day(s) and date(s) \_\_\_\_\_

Requested hours of operation, from \_\_\_\_\_ AM/PM to \_\_\_\_\_ AM/PM

**7. EVENT NOTIFICATION TO RESIDENTS AND BUSINESSES:** As an event planner, you are responsible for notifying the neighbors and businesses in the surrounding area of your event. The City requires notifying as many businesses and residents around the event site as possible as early as possible. Please provide your plan of notification at the time you submit your permit application.

**8. SANITATION:** Please attach your "Plan for Clean-Up." Please check Application Instruction sheet for details. NO CLEAN UP REQUIRED

**9. AVAILABILITY OF FOOD, BEVERAGES, AND/OR**

**ENTERTAINMENT:** If there will be music, sound amplification, or any other noise impact, please describe on attached sheet, including the intended hours of the music, sound, or noise.

Will alcoholic beverages be served? NO

If yes, attach to the application a copy of your permit from the Cleveland County Alcoholic beverage Control Board. Alcohol may not be served without a permit.

Will food and/or no-alcoholic beverages be served? NO

If yes, attach to the application a copy of your permit from the Cleveland County Department of Health Services.

**10. SECURITY AND SAFETY PROCEDURES:** Attach to this application a copy of your building permit(s) if you are installing any electrical wiring on a temporary or permanent basis and/or if you are building any temporary or permanent structures such as bleachers, scaffolding, a grandstand, viewing stands, stages, or platforms.

Attach a copy of your Shelby Fire & Rescue Department Permit or permits to this application if you will use parade floats; an open flame; fireworks; or pyrotechnics; vehicle fuel; cooking facilities; enclosures (and tables within those enclosures); tents; air-supported structures; and/or any fabric shelter.

Give name, address, and phone numbers of the agency or agencies, which will provide first aid staff and equipment. Attach additional sheets if necessary.

Name: N.A.

Address: \_\_\_\_\_

Phones: \_\_\_\_\_

Indicate medical services that will be provided for the event.

AMBULANCE: N.A.

DOCTOR (S): N.A.

PARAMEDICS: N.A.

**11. CITY SERVICES/EQUIPMENT REQUESTED FOR THIS EVENT:**

- BLOCK OFF PARKING SPACES THE NIGHT OF MAY 4, 2022
- USE OF HANNA PARK OVERFLOW LOT MAY 5, 2022 NIGHT
- POLICE ESCORT INTO TOWN MAY 6, 2022
- MANHOLE FOR SANITARY SEWER DUMP & PUMP MAY 8, 2022

**Event Power Request Form and Pricing**

To utilize the event panels for power in Uptown Shelby, this form must be submitted with event application and payment made at time of application.

Please use the map below for event panel locations, circle the event panels that you need for your event. If you have questions about the electrical requirements for your event, please contact the Electric Superintendent at 704-669-6649.

Name of Special Event: SHINING IN SHELBY 2022

Authorize Event/Vendor Coordinator: ROGER HOLLAND

Phone No.: 704-472-4109 Mobile No.: SAME

Email: roger@h-architects.com

**Event panel (EP) cost is \$15.00 per day per event panel.**

**Stage panel (STG PAN) cost is \$110.00 per day per stage panel.**

**Full Day Rentals only**

Total Number of Event Panels:

16 x \$15.00 x Number of Days 2.5 = \$ 600.00

*pd 8/25/2021  
ck #9085*

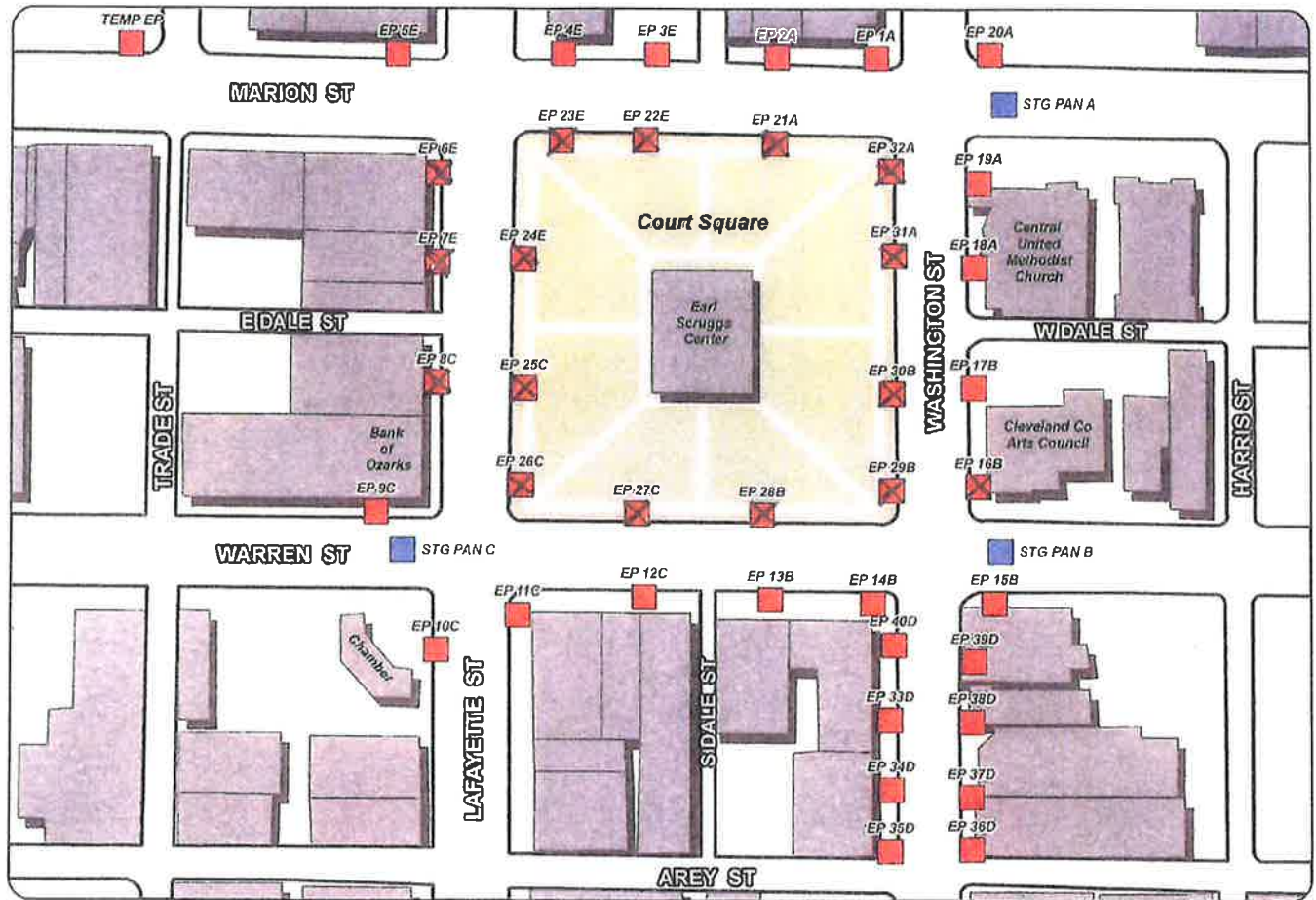
Total Number of Stage Panels:

\_\_\_\_\_ x \$110.00 x Number of Days \_\_\_\_\_ = \$ \_\_\_\_\_

**All fees must be paid at the time of event application.**

**Any event panel not requested and paid for in advance and requested the day of the event will be subject to an after-hours charge.**

# City of Shelby Uptown Event Panels



0 25 50 100 150 200 Feet  
 The City of Shelby makes no representations, warranties or guarantees as to the accuracy and completeness of the information and data, and the City of Shelby is not responsible for any errors or omissions, or for any actions or decisions made by any person based on the information and data.



## Legend

 Event Panel

 Stage Panel

**12. ANY ADDITIONAL COMMENTS:**

THIS WILL BE A REPEAT OF THE 2021 SHINING IN SHELBY  
EVENT BUT WITH ADDED SPACES TO ACCOMMODATE A FEW  
MORE UNITS AS INDICATED ON THE ATTACHED MAP.

---

**THE CITY OF SHELBY IS NOT A CO-SPONSOR OF THE EVENT**

It is understood and agreed that any permit issued pursuant to this application is issued on the condition that the answers herein given are true and correct to the best of the knowledge, information, and belief of the applicant.



SIGNATURE

ROGER L. HOLLAND

704-472-4109

APPLICANT

PHONE

208 DEERCHASE RD.

SHELBY, NC 28150

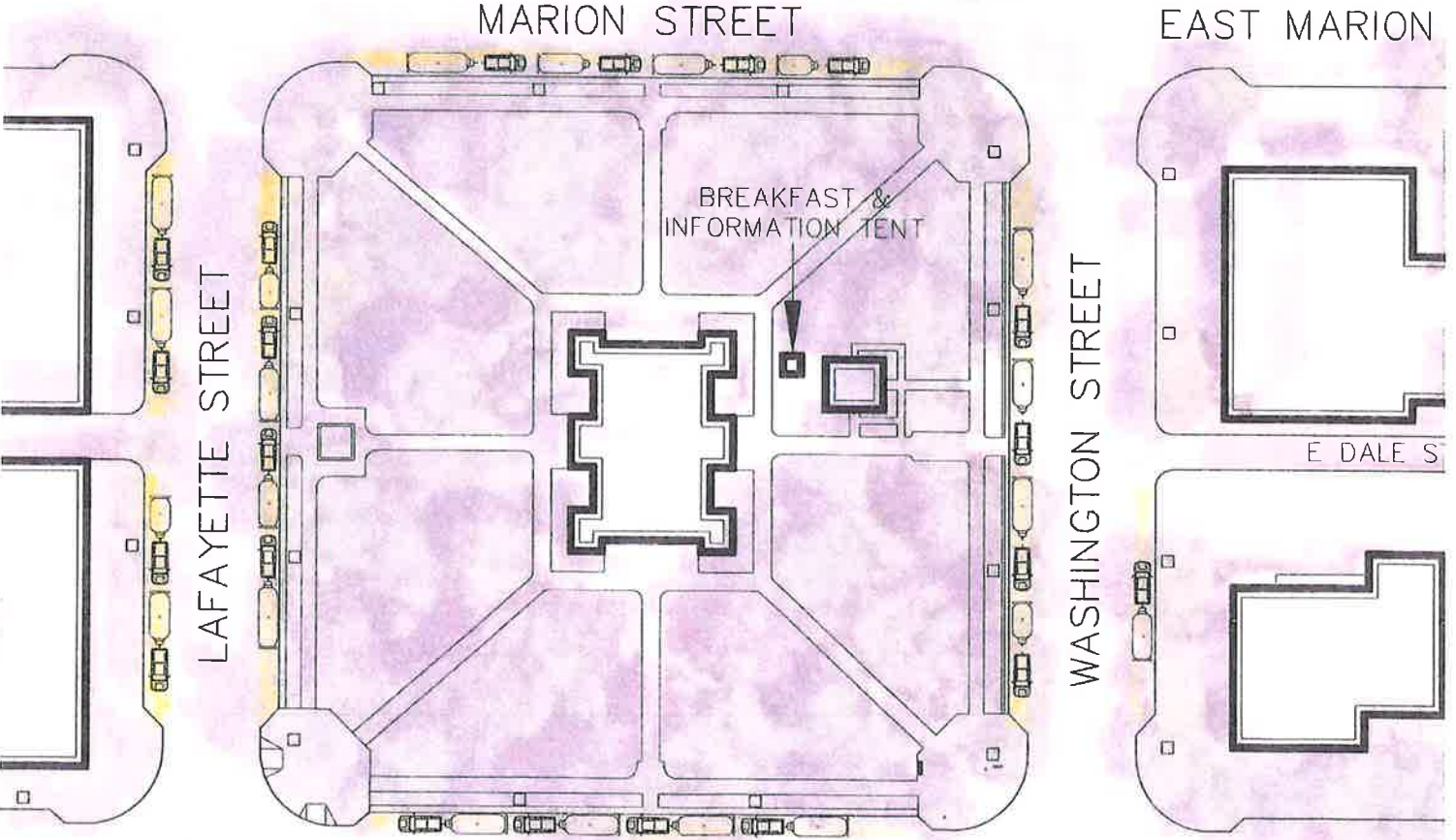
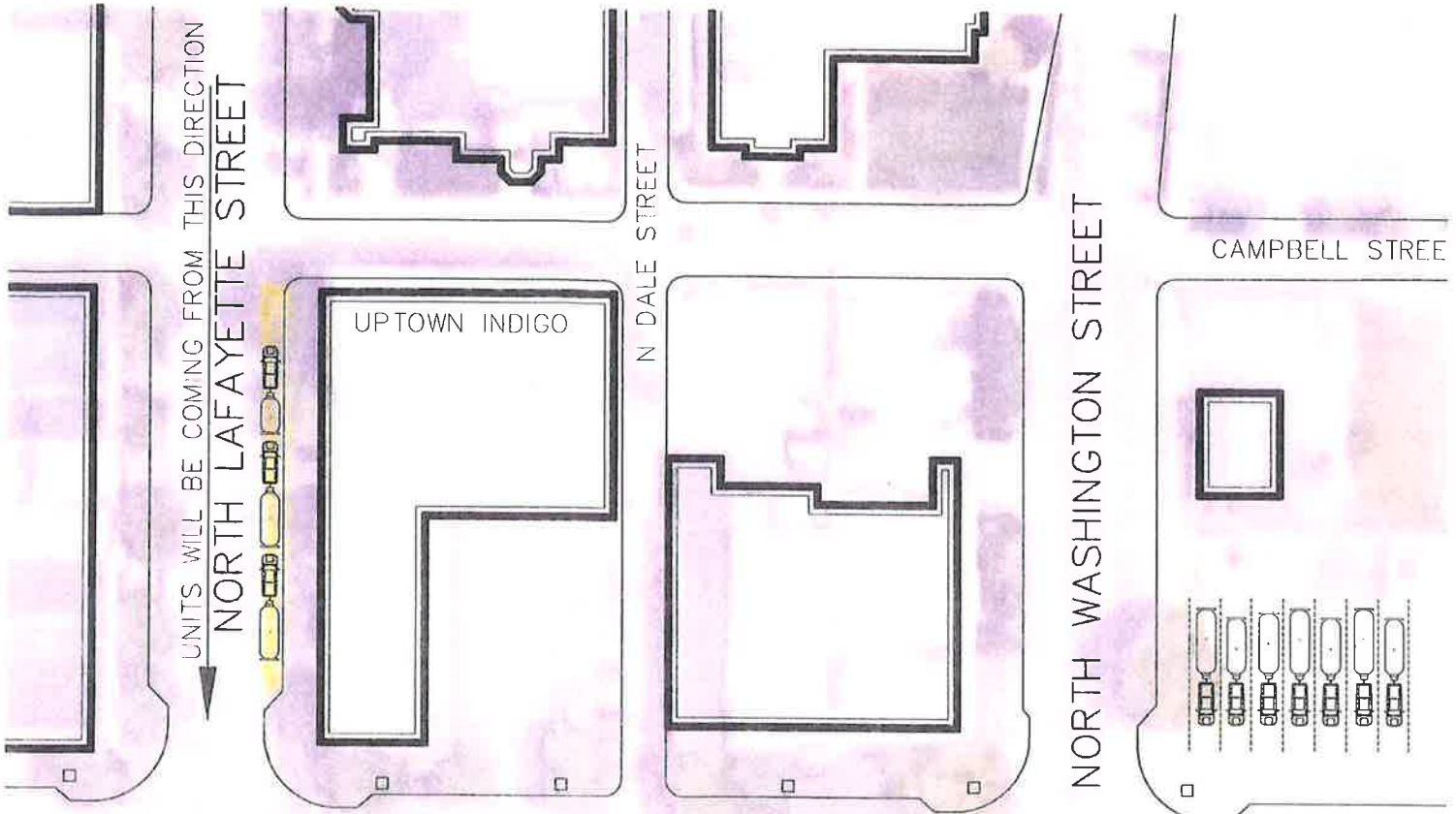
PHYSICAL ADDRESS

roger@h-architects.com

E-MAIL ADDRESS

06/02/2021

DATE







City of Shelby  
Agenda Item Summary  
October 4, 2021  
Don Gibson Theater

Agenda Item: B-3

- 3) Approval of a resolution supporting the City of Shelby's application for trail construction funds for the Carolina Thread Trail: Resolution No. 59-2021

**Consent Agenda Item: (Walter Scharer, Planning Director)**

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- Memorandum dated September 27, 2021 from Walter Scharer, Planning Director to Rick Howell, City Manager
- Resolution No. 59-2021

---

City Manager's Recommendation / Comments

Resolution No. 59-2021 is presented for City Council consideration at this time. If approved this resolution authorizes the City to apply for funds from the Carolina Thread Trail to assist in the construction of the first phase of the Rail Trail Grover Street to Marion Street. The maximum award is \$200,000. Please note that securing this grant still does not provide sufficient funding for the City to proceed to construction. It will merely complement current public and private funding already in hand.

I will remind Council that we should learn in early November 2021 if the grant application submitted to the federal USDOT RAISE grant program is funded. If funded that grant could be up to \$25,000,000 and would allow for construction of the entire 10 mile Rail Trail.

**It is my recommendation that Resolution No. 59-2021 be adopted and approved by City Council via the Consent Agenda at this time.**



## **Memorandum**

To: Rick Howell - City Manager  
From: Walter Scharer – Planning Director  
Date: September 27, 2021  
Subject: Carolina Thread Trail Grant Application

### Executive Summary of Issue – Background

Since the City of Shelby has acquired the Norfolk-Southern Rail Corridor the Carolina Thread Trail has made the Shelby Rail Trail a top priority project.

### Review and Comments

Staff is proposing applying for Carolina Thread Trail funds to assist in construction of the first phase of the Rail Trail Grover Street to Marion Street. The maximum grant amount is not yet determined. There is no match for this grant however the City will be matching this grant to complete the project.

The Strategic Growth Plan (2005) supports this Rail Trail Grant application through the policy:

**POLICY 1.7:** Pedestrian and bikeway facilities shall be encouraged as energy-efficient, healthful, and environmentally sound alternatives to the automobile.

Staff recommends adoption of the resolution authorizing an application for Carolina Thread Trail Funds to assist in constructing the first phase of the Rail Trail from Grover Street to Marion Street.

Please place this item on the consent agenda for the October 4, 2021 City Council meeting.

**Attachment: Resolution**

RESOLUTION NO. 59-2021

A RESOLUTION SUPPORTING THE CITY OF SHELBY'S APPLICATION FOR TRAIL CONSTRUCTION FUNDS FOR THE CAROLINA THREAD TRAIL

WHEREAS, the Carolina Thread Trail's mission is to bring resources to the 15-county region in the south-central piedmont of North Carolina and the north-central portion of South Carolina in order to create an interconnected trail system with major regional trails designated as the Carolina Thread Trail; and,

WHEREAS, the Carolina Thread Trail Master Plan for Cleveland County Communities outlines a means for long-term coordination of greenway and trail development within the county, cities, and towns in Cleveland County to help promote the preservation and improvement of residents' quality of life; and,

WHEREAS, the City of Shelby has adopted the Carolina Thread Trail Master Plan for Cleveland County Communities; and,

WHEREAS, the Master Plan outlined a priority route Shelby Rail Trail that will ultimately connect the of Shelby with South Carolina; and,

WHEREAS, the City of Shelby has acquired the Norfolk Southern Rail Corridor all the way to South Carolina; and,

WHEREAS, funding request may be for trail construction up to \$200,000; and,

WHEREAS, the recommended local match will take the form of in-kind services; and,

WHEREAS, it is the desire of the Shelby City Council to make application for said grant and to authorize same for submittal to the Carolina Thread Trail Governing Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. The City's trail construction grant application to the Carolina Tread Trail Governing Board is hereby approved and authorized for submittal.

Section 2. The City Manager of the City of Shelby is hereby authorized and directed to execute and submit all applicable documents and make assurances ads required by said grant program.

Adopted and approved this 4<sup>th</sup> day of October 2021

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Bernadette A. Parduski, NC-CMC, IIMC-MMC  
City Clerk

City of Shelby  
Agenda Item Summary  
October 4, 2021  
Don Gibson Theater

C. Unfinished Business

Agenda Item C-1

- 1) Consideration of approval of an Order authorizing the sale and issuance by the City of Shelby, North Carolina of a not to exceed \$12,000,000 combined enterprise system revenue refunding bond, Series 2021 and authorizing the execution and delivery of certain documents in connection therewith

**Unfinished Business Item: (Justin Merritt, Assistant City Manager)**

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- Memorandum dated September 27, 2021 from Justin Merritt, Assistant City Manager to Rick Howell, City Manager
- Bond Purchase Agreement, Tenth Supplemental Trust Agreement, Form of Series 2021 Bond, Bond Order

---

City Manager's Recommendation / Comments

City Council previously approved Resolution No. 58-2021 which authorized the filing of an application with the NC Local Government Commission seeking to refund certain City utility system debt. This process will refund (refinance) approximately \$12,000,000 of previously issued revenue bonds with an estimated savings over time of approximately \$512,000. The resolution also authorized the filing of an application with the Local Government Commission.

Approval of the actual "bond order" included in your agenda packet is a required step in the process. The order and the refunding does not extend the term of the debt. It does take advantage of favorable market interest rates which over the remaining term of the debt has a net present value savings of \$512,000.

**It is my recommendation that City Council approve a motion adopting the bond order and authorizing the sale and issuance by the City of Shelby, North Carolina of a not to exceed \$12,000,000 combined enterprise system revenue refunding bond, Series 2021 and authorizing the execution and delivery of certain documents in connection therewith.**



## MEMORANDUM

**To: Rick Howell, City Manager**

**From: Justin S. Merritt, Assistant City Manager**

**RE: Series 2021 Combined Utility Bond Re-Funding Bond Order**

**Date: September 27, 2021**

Attached you will find a bond order authorizing the sale of Series 2021 Refunding Bonds. This order details the bonds that the City intends to refund, the process by which they will be refunded and provides details regarding the Series 2021 bonds to be purchased by Truist Bank. Approval of the bond order is a necessary step in the refunding process as it sets forth the terms and provisions of the Bond Purchase and authorizes City staff to proceed with the execution of required documents.

As stated before, this refunding does not extend the terms of current Combined Utility Debt and does take advantage of favorable market interest rates. The City is estimated to realize total net present value savings of \$512,000 over the repayment period of the refunded bonds.

I am recommending that this item be added to the City Council Agenda for consideration on October 4, 2021. I am also recommending that City Council approve the item so that staff may proceed with the refunding process. Let me know if you have any questions or would like additional information.

TENTH SUPPLEMENTAL TRUST AGREEMENT

Dated as of November 1, 2021

Between

CITY OF SHELBY, NORTH CAROLINA

and

U.S. BANK NATIONAL ASSOCIATION  
as Trustee

Authorizing and Securing

\$ \_\_\_\_\_

City of Shelby, North Carolina  
Combined Enterprise System Revenue Refunding Bond  
Series 2021

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This TENTH SUPPLEMENTAL TRUST AGREEMENT, dated as of November 1, 2021 (the “Tenth Supplemental Agreement”), between the City of Shelby, North Carolina, a municipal corporation duly organized and existing under the laws of the State of North Carolina (the “City”), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America and having a corporate trust office in Charlotte, North Carolina, which is authorized under such laws to exercise trust powers (the “Trustee”),

WITNESSETH:

WHEREAS, the City and First Union National Bank of North Carolina (as the predecessor Trustee) have heretofore executed and delivered a Trust Agreement, dated as of October 1, 1995 (as supplemented and amended, the “Trust Agreement”), which authorizes the City to issue bonds thereunder from time to time secured by the Trust Agreement in accordance with the terms thereof; and

WHEREAS, pursuant to the Trust Agreement and a Fifth Supplemental Trust Agreement, dated as of June 1, 2010, between the City and the Trustee, the City has heretofore issued its \$8,346,400 Combined Enterprise System Revenue Bond, Series 2010 (the “Series 2010 Bond”), \$2,733,824.87 of which is currently outstanding under the Trust Agreement (which includes the principal amount due and payable on November 1, 2021); and

WHEREAS, pursuant to the Trust Agreement and a Sixth Supplemental Trust Agreement, dated as of January 1, 2013, between the City and the Trustee, the City has heretofore issued its \$9,645,000 Combined Enterprise System Revenue Refunding Bond, Series 2013A (the “Series 2013A Bond”), \$5,525,000 of which is currently outstanding under the Trust Agreement; and

WHEREAS, pursuant to the Trust Agreement and a Seventh Supplemental Trust Agreement, dated as of February 1, 2013, between the City and the Trustee, the City has heretofore issued its \$3,185,000 Combined Enterprise System Revenue Refunding Bond, Series 2013C (the “Series 2013C Bond”), \$1,625,000 of which is currently outstanding under the Trust Agreement; and

WHEREAS, pursuant to the Trust Agreement and an Eighth Supplemental Trust Agreement, dated as of October 1, 2015, between the City and the Trustee, the City has heretofore issued its \$2,460,000 Combined Enterprise System Revenue Bond, Series 2015 (the “Series 2015 Bond”), \$1,664,074.78 of which is currently outstanding under the Trust Agreement (which includes the principal amount due and payable on November 1, 2021); and

WHEREAS, the City has determined to refund all of the outstanding principal amounts of the Series 2010 Bond, Series 2013A Bond, Series 2013C Bond and Series 2015 Bond (collectively, the “Refunded Bonds”); and

WHEREAS, the City has determined that the issuance of a revenue refunding bond as authorized by the Trust Agreement and this Tenth Supplemental Agreement to refund the Refunded Bonds will benefit and be in the best interests of the City;

WHEREAS, on October 4, 2021, the City Council of the City adopted an order authorizing the issuance of such bond;

WHEREAS, the Trust Agreement authorizes the City to issue additional bonds secured by the Trust Agreement in accordance with the provisions of Section 208 thereof; and

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

**ARTICLE I**  
**DEFINITIONS**

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, capitalized words and terms used herein which are defined in the Trust Agreement shall have the meanings assigned to them therein, and the following words and terms shall have the following meanings:

“Bond Registrar” means U.S. Bank National Association, as designated by Section 201.

“Closing” means the delivery of and payment for the Series 2021 Bond.

“Closing Date” means the date of the Closing.

“Determination of Taxability” means and shall be deemed to have occurred on the date when (a) the City shall receive notice from the Owner (or any prior Owner) of the Series 2021 Bond that the Internal Revenue Service has assessed as includable in gross income the interest on the Series 2021 Bond and such assessment is due to the occurrence of an Event of Taxability or (b) the City or the Owner (or any prior Owner) of the Series 2021 Bond shall receive notice from the Internal Revenue Service that the interest on the Series 2021 Bond is includable in the gross income of the Owner (or any prior Owner) of the Series 2021 Bond for federal income tax purposes and such determination is due to the occurrence of an Event of Taxability.

“Event of Taxability” means the occurrence or existence of any fact, event or circumstance caused by the failure of the City to comply with any covenants in the Series 2021 Bond or this Tenth Supplemental Trust Agreement or any document or certificate executed by the City in connection with the transactions contemplated by thereby which has the effect of causing the interest on the Series 2021 Bond to be includable in the gross income of the Owner (or any prior Owner) for federal income tax purposes.

“Inclusion Date” means the effective date that the interest on the Series 2021 Bond is includable in the gross income of the Owner (or any prior Owner) as a result of a Determination of Taxability.

“Interest Payment Date” means each May 1 and November 1, beginning May 1, 2022.

“Purchaser” means Truist Bank, as the initial purchaser of the Series 2021 Bond.

“Refunded Bonds” means, collectively, all the outstanding principal amounts of the Series 2010 Bond, the Series 2013A Bond, the Series 2013C Bond and the Series 2015 Bond.

“Regular Record Date” means the 15<sup>th</sup> day of the month preceding any Interest Payment Date, whether or not a Business Day.

“Series 2021 Bond” means the \$ \_\_\_\_\_ City of Shelby, North Carolina Combined Enterprise System Revenue Refunding Bond, Series 2021, issued pursuant to the Trust Agreement and this Tenth Supplemental Agreement.

“Series 2021 Costs of Issuance Account” means the account created and so designated by Section 401.

“Series 2021 Subaccount of the Interest Account” means the subaccount created and so designated by Section 401.

“Series 2021 Subaccount of the Principal Account” means the subaccount created and so designated by Section 401.

“Series 2021 Subaccount of the Redemption Account” means the subaccount created and so designated by Section 401.

“Tenth Supplemental Agreement” means this Tenth Supplemental Trust Agreement, dated as of November 1, 2021, between the City and the Trustee, as supplemented and amended from time to time as permitted hereby.

“Trust Agreement” means the Trust Agreement, dated as of October 1, 1995, between the City and First Union National Bank of North Carolina (as predecessor Trustee), as supplemented and amended from time to time as permitted thereby.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Tenth Supplemental Agreement unless some other reference is indicated.

## ARTICLE II

### AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF THE SERIES 2021 BOND

Section 201. Authorization and Issuance of Series 2021 Bond. The City hereby authorizes the issuance of a \$\_\_\_\_\_ City of Shelby, North Carolina Combined Enterprise System Revenue Refunding Bond, Series 2021 for the purpose of providing funds, together with other available funds, to (a) refund the Refunded Bonds and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Series 2021 Bond. The Series 2021 Bond shall be issued under and pursuant to the Constitution and the laws of the State, including the Act, an order adopted by the City Council of the City on October 4, 2021, the Trust Agreement and this Tenth Supplemental Agreement, subject to the conditions set forth herein and therein.

U.S. Bank National Association, Charlotte, North Carolina is hereby appointed as Bond Registrar for the Series 2021 Bond under this Tenth Supplemental Agreement.

Section 202. Form of Series 2021 Bond. The definitive Series 2021 Bond shall be initially issued as one fully registered bond without coupons numbered R-1 in the aggregate principal amount of \$\_\_\_\_\_ and shall be initially registered in the name of the Purchaser. The definitive Series 2021 Bond shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by the Trust Agreement or this Tenth Supplemental Agreement. Notwithstanding anything in the Trust Agreement to the contrary, the Series 2021 Bond may be transferred in the manner specified in the Trust Agreement, but may not be exchanged for any denomination other than the outstanding principal amount thereof.

Notwithstanding any other provisions of the Trust Agreement or this Tenth Supplemental Agreement to the contrary, the Bond Registrar shall not register the transfer of the Series 2021 Bond to any person other than a bank, insurance company or similar financial institution unless such transfer has been previously approved by the Local Government Commission. The provisions of this paragraph may not be amended without the prior written consent of the Local Government Commission.

Section 203. Details of Series 2021 Bond. (a) The Series 2021 Bond shall be dated as of the date of initial delivery thereof, shall bear interest at a rate of 1.40% per annum (computed on the basis of a 360-day year consisting of twelve 30-day months), subject to adjustment as provided in subsection (b) of this Section, such interest being payable in arrears on each Interest Payment Date, and shall be stated to mature (subject to the right of prior redemption), in semi-annual principal installments payable on each Interest Payment Date as set forth in the form of the Series 2021 Bond.

(b) In the event of a Determination of Taxability, the interest rate on the Series 2021 Bond, from and after the Inclusion Date, shall be adjusted to preserve the Owner's after-tax economic yield with respect to the interest paid on the Series 2021 Bond. In addition, the City shall pay to the Owner (or any prior Owner) (i) an amount necessary to reimburse the Owner (or

prior Owner) for any interest, penalties, or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Owner's (or prior Owner's) failure to include the interest paid on the Series 2021 Bond in its gross income for income tax purposes, and (ii) upon request of the Owner (or any prior Owner), additional interest as a result of the increase in the interest rate on all previous payments made by the City after the Inclusion Date. In the event of a Determination of Taxability, the Owner of the Series 2021 Bond shall provide the City with a new Installment Payment Schedule which reflects the new interest rate which will replace the Installment Payment Schedule set forth in Schedule A to the Series 2021 Bond.

Section 204. Terms and Condition for Issuance of Series 2021 Bond. The Series 2021 Bond shall be executed substantially in the form and in the manner herein and in the Trust Agreement set forth and shall be deposited with the Bond Registrar for authentication, but before the Series 2021 Bond shall be authenticated and delivered to the State Treasurer for redelivery to the Purchaser, there shall be filed with the Trustee, in addition to the items required to be delivered to the Trustee pursuant to Section 209 of the Trust Agreement, the following:

(a) a fully executed copy of this Tenth Supplemental Agreement;

(b) an opinion of the City Attorney to the effect that (i) the Trust Agreement and this Tenth Supplemental Agreement have each been duly and validly executed and delivered by the City, (ii) to the best of his knowledge, no provision of the Trust Agreement or this Tenth Supplemental Agreement violates any provisions of the City's charter or results in or constitutes a default under any agreement, indenture or other instrument to which the City is a party or by which the City may be bound, (iii) the execution and delivery of the Trust Agreement and this Tenth Supplemental Agreement by the City and the issuance of the Series 2021 Bond by the City are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected and (iv) the form, terms, execution, issuance and delivery of the Series 2021 Bond have been duly and validly authorized by the City;

(c) an opinion of bond counsel to the effect that the Series 2021 Bond has been validly issued in accordance with the provisions of the Trust Agreement and this Tenth Supplemental Agreement;

(d) an opinion of bond counsel to the effect that the Refunded Bonds are no longer Outstanding under the Trust Agreement;

(e) a certificate of the Finance Director of the City as to compliance with Section 716 of the Trust Agreement; and

(f) such other documentation as may be reasonably requested by the Trustee, the Purchaser or bond counsel.

When the documents mentioned in Section 208 of the Trust Agreement and subsections (a) through (f) of this Section shall have been filed with the Trustee, and when the Series 2021 Bond shall have been executed and authenticated as required by this Tenth Supplemental Agreement, the Series 2021 Bond shall be delivered to or upon the order of the State Treasurer

for redelivery to or upon the order of the Purchaser thereof, but only upon the deposit with the Trustee of the purchase price of the Series 2021 Bond.

Simultaneously with the Closing and the deposit of the proceeds of the Series 2021 Bond with the Trustee, the Trustee shall apply, or cause to be applied, the proceeds of the Series 2021 Bond in the amount of \$ \_\_\_\_\_ (representing the par amount of the Series 2021 Bond, less a fee of \$7,500.00 to be paid directly by the Purchaser to its legal counsel) as follows:

(1) \$ \_\_\_\_\_ shall be applied, together with other available funds, to redeem in whole the outstanding Series 2010 Bond on November 1, 2021;

(2) \$ \_\_\_\_\_ shall be applied, together with other available funds, to redeem in whole the outstanding Series 2013A Bond on November 1, 2021;

(3) \$ \_\_\_\_\_ shall be applied, together with other available funds, to redeem in whole the outstanding Series 2013C Bond on November 1, 2021;

(4) \$ \_\_\_\_\_ shall be applied, together with other available funds, to redeem in whole the outstanding Series 2015 Bond on November 1, 2021; and

(5) the balance of the proceeds in the amount of \$ \_\_\_\_\_ shall be deposited to the credit of the Series 2021 Costs of Issuance Account.

## ARTICLE III

### REDEMPTION OF SERIES 2021 BOND

Section 301. Redemption of Series 2021 Bond. (a) The Series 2021 Bond shall not be subject to prior redemption except as provided in this Article and in Article III of the Trust Agreement.

(b) The Series 2021 Bond is subject to redemption prior to maturity, at the option of the City, from any moneys that may be available for such purpose, in whole on any date, at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bond Outstanding on the redemption date, plus accrued interest to the redemption date.

Section 302. Redemption Notice. At least ten (10) days but not more than sixty (60) days prior to the redemption date of the Series 2021 Bond to be redeemed (unless otherwise waived by the Owner of the Series 2021 Bond), the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to the Owner of the Series 2021 Bond. A copy of such notice shall also be given by first class mail, postage prepaid, to the Local Government Commission; provided, however, that failure to give such notice to the Local Government Commission or any defect therein shall not affect the sufficiency of the proceedings for redemption.

Each such notice shall set forth the designation and date of the Series 2021 Bond, the date fixed for redemption, the Redemption Price to be paid, the address and phone number of the Trustee and the Bond Registrar and the date of the redemption notice.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the Redemption Price of and interest on the Series 2021 Bond and that if such moneys are not so received such notice shall be of no force or effect and the Series 2021 Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the Redemption Price of and interest on the Series 2021 Bond are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.



## ARTICLE IV

### ACCOUNT, SUBACCOUNTS, REVENUES AND FUNDS; OTHER COVENANTS

Section 401. Establishment of Account and Subaccounts. The following account and subaccounts are hereby established:

- (a) Series 2021 Costs of Issuance Account;
- (b) Series 2021 Subaccount of the Interest Account;
- (c) Series 2021 Subaccount of the Principal Account; and
- (d) Series 2021 Subaccount of the Redemption Account.

The account and subaccounts mentioned above shall be established with and held by the Trustee pursuant to the Trust Agreement and this Tenth Supplemental Agreement.

Section 402. Revenues Received by the City. The City shall, subject to the provisions of Section 504 of the Trust Agreement, deposit or cause to be deposited, from Net Receipts held in the Revenue Fund, with the Trustee the following amounts, and the Trustee shall apply such amounts to the various accounts and subaccounts specified herein in the following order:

(a) into the Series 2021 Subaccount of the Interest Account, on or before the 25<sup>th</sup> day of the month immediately preceding each Interest Payment Date, the amount required to pay the interest due on the Series 2021 Bond on such Interest Payment Date; and

(b) into the Series 2021 Subaccount of the Principal Account, on the 25<sup>th</sup> day of the month immediately preceding each Interest Payment Date, the amount required to pay the principal installment of the Series 2021 Bond coming due on such Interest Payment Date.

In addition, the Trustee shall deposit to the Series 2021 Subaccount of the Redemption Account all amounts as shall be delivered to the Trustee by the City from time to time with instructions that such amounts be so deposited.

Section 403. Application of Money in the Series 2021 Costs of Issuance Account. Money deposited in the Series 2021 Costs of Issuance Account in accordance with Section 204 shall be applied to pay the costs and expenses incurred in connection with the issuance of the Series 2021 Bonds, all in accordance with the requisition procedures for the Construction Fund as set forth in Article IV of the Trust Agreement.

Section 404. Application of Money in the Series 2021 Subaccount of the Redemption Account. The Trustee shall apply money in the Series 2021 Subaccount of the Redemption Account to the redemption of the Series 2021 Bond as provided in Article III. The Trustee shall pay the accrued interest on the Series 2021 Bond to be redeemed to the date of redemption from

the Series 2021 Subaccount of the Interest Account or other available funds of the City and the Redemption Price of such Series 2021 Bond from the Series 2021 Subaccount of the Redemption Account. The Trustee shall withdraw from the Series 2021 Subaccount of the Interest Account and the Series 2021 Subaccount of the Redemption Account and transfer to the Bond Registrar the amounts required to pay the Redemption Price of the Series 2021 Bond so called for redemption, together with accrued interest to the redemption date.

The expenses incurred by the Trustee in connection with the redemption of the Series 2021 Bond shall be paid by the City from the Revenue Fund or from any other available moneys of the City.

Section 405. Investment of Money. Money held for the credit of all accounts and subaccounts established hereunder on deposit with the Trustee shall be continuously invested and reinvested by the Trustee in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such subaccounts will be required for the purposes intended. No Investment Obligations in any such account or subaccount may mature beyond the final maturity date of the Series 2021 Bond at the time such Investment Obligations are deposited.

Investment Obligations acquired with money in or credited to any account or subaccount established hereunder shall be deemed at all times to be part of such account or subaccount. Any loss realized upon the disposition or maturity of such Investment Obligations shall be charged against such account or subaccount. The interest accruing on any such Investment Obligations and any profit realized upon the disposition or maturity of such Investment Obligations shall be credited to such accounts or subaccounts as follows:

<u>Funds, Accounts or Subaccounts</u>	<u>Credited to</u>
Series 2021 Subaccount of the Interest Account	Series 2021 Subaccount of the Interest Account
Series 2021 Subaccount of the Principal Account	Series 2021 Subaccount of the Principal Account
Series 2021 Subaccount of the Redemption Account	Series 2021 Subaccount of the Interest Account
Series 2021 Costs of Issuance Account	Series 2021 Costs of Issuance Account

Any such interest accruing and any such profit realized shall be transferred upon the receipt thereof by the City or the Trustee, as the case may be, pursuant to the provisions of the Trust Agreement and this Tenth Supplemental Agreement.

An Authorized Officer shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Section, and the Trustee shall then invest such money as so directed. The Trustee may request in writing additional direction or authorization from the Authorized Officer with respect to the proposed investment of money. Upon receipt of such directions, the Trustee shall invest, subject to the provisions of this Section, such money in accordance with such directions.

The Trustee shall sell or reduce to cash in a commercially reasonable manner a sufficient amount of such Investment Obligations whenever it is necessary to do so in order to provide money to make any payment from any such subaccount. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a transfer of money between two or more of the subaccounts is permitted or required, such transfer may be made as a whole or in part by transfer of one or more Investment Obligations at a value determined at the time of such transfer in accordance with Article VI of the Trust Agreement, provided that the Investment Obligations transferred are those in which money of the receiving subaccount could be invested at the date of such transfer.

Section 406. Payment of Principal, Interest and Premium and Pledge of Net Receipts. The City covenants that it will promptly pay the principal of and the interest on the Series 2021 Bond issued under the provisions of this Tenth Supplemental Agreement at the place, on the dates and in the manner provided herein and in said Series 2021 Bond, and any premium required for the retirement of said Series 2021 Bond by purchase or redemption, according to the true intent and meaning thereof. The City further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Tenth Supplemental Agreement and the Trust Agreement, or in any Series 2021 Bond executed, authenticated and delivered hereunder or in any proceedings of the City pertaining thereto. The City represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Series 2021 Bond authorized hereby and to pledge the Net Receipts in the manner and to the extent herein and in the Trust Agreement set forth; that all action on its part for the issuance of the Series 2021 Bond has been duly and effectively taken; and that such Series 2021 Bond in the hands of the Owners thereof are and will be valid and binding special obligations of the City payable according to their terms. The Series 2021 Bond shall be secured pari passu as to the pledge of Net Receipts and shall be entitled to the same benefit and security under the Trust Agreement as all other Bonds and Parity Debt issued or incurred thereunder.

Section 407. Tax Covenants. The City covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Series 2021 Bond which was excludable from the gross income of their Owners for federal income taxes on the date of their issuance shall continue to be so excludable.

Section 408. Financial Statements. The City shall furnish the Owner of the Series 2021 Bond no later than 270 days following the end of each fiscal year the City's annual audited financial statements for such fiscal year.

**ARTICLE V**  
**THE TRUSTEE**

Section 501. Acceptance of Duties by Trustee. The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Tenth Supplemental Agreement.

## ARTICLE VI

### SUPPLEMENTAL TRUST AGREEMENTS

Section 601. Modification of Tenth Supplemental Agreement Without Consent of Owners. The City may, from time to time and at any time, execute and deliver such trust agreements supplemental hereto (which supplemental trust agreements shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Tenth Supplemental Agreement and, in the opinion of the Trustee, who may rely upon a written opinion of legal counsel, shall not materially and adversely affect the interest of the Owners:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Tenth Supplemental Agreement or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Tenth Supplemental Agreement;

(b) to grant or to confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(c) to add to the covenants and agreements of the City in this Tenth Supplemental Agreement other covenants and agreements thereafter to be observed by the City or to surrender any right or power herein reserved to or conferred upon the City;

(d) to permit the qualification of this Tenth Supplemental Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the City so determines, to add to this Tenth Supplemental Agreement or any supplemental trust agreement such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law; or

(e) to provide for the issuance of the Series 2021 Bond in bearer form.

At least thirty (30) days prior to the execution and delivery of any supplemental trust agreement for any of the purposes of this Section, the Trustee shall cause a notice of the proposed supplemental trust agreement to be mailed first-class, postage prepaid, to the Local Government Commission and to the Owner of the Series 2021 Bond. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by the Owners of the Series 2021 Bond. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental trust agreement.

The Trustee shall not be obligated to enter into any supplemental trust agreement that adversely affects the Trustee's own rights, duties or immunities under this Tenth Supplemental Agreement.

Section 602. Modification of Tenth Supplemental Agreement With Consent of Owners. Subject to the terms and provisions contained in this Section, and not otherwise, the Owner of the Series 2021 Bond shall have the right, from time to time, anything contained in this Tenth Supplemental Agreement to the contrary notwithstanding, to consent to and approve the execution and delivery by the City and the Trustee of such supplemental trust agreement as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Tenth Supplemental Agreement or in any supplemental trust agreement. Nothing herein contained, however, shall be construed as making necessary the approval by the Owner of the Series 2021 Bond of the execution and delivery of any supplemental trust agreement as authorized in Section 601.

The Trustee shall, at the expense of the City, such expense to be paid from the Revenue Fund or from any other available moneys, cause notice of the proposed supplemental trust agreement to be mailed, postage prepaid, to the Local Government Commission and the Owner of the Series 2021 Bond as of the date such notice is mailed. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by such Owner.

Whenever, at any time after the date of the mailing of such notice, the City shall deliver to the Trustee an instrument in writing purporting to be executed by the Owner of the Series 2021 Bond, which instrument shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution and delivery thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City and the Trustee may execute and deliver such supplemental trust agreement in substantially such form, without liability or responsibility to such Owner.

If the Owner of the Series 2021 Bond has consented to and approved the execution and delivery thereof as herein provided, to the extent permitted by law, the Owner shall have no right to object to the execution and delivery of such supplemental trust agreement, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the execution and delivery thereof, or enjoin or restrain the City or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

Upon the execution and delivery of any supplemental trust agreement pursuant to the provisions of this Section or Section 601, this Tenth Supplemental Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Tenth Supplemental Agreement of the City, the Trustee and the Owner of the Series 2021 Bond shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Tenth Supplemental Agreement, as so modified and amended.

Section 603. Responsibilities of Trustee and City Under this Article. The Trustee and the City shall be entitled to exercise their discretion in determining whether or not any proposed supplemental trust agreement or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the City, the rights and interests of the Owner of the Series 2021 Bond, and the rights, obligations and interests of the Trustee. The

Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of counsel approved by it, who may be bond counsel for the City, as conclusive evidence that any such proposed supplemental trust agreement does or does not comply with the provisions of this Tenth Supplemental Agreement, and that it is or is not proper for it, under the provisions of this Article, to execute and deliver such supplemental trust agreement.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 701. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the City, the Local Government Commission, the Trustee or the Bond Registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested postage prepaid, addressed as follows:

(a) As to the City --

City of Shelby, North Carolina  
300 South Washington Street  
Post Office Box 207  
Shelby, North Carolina 28151-0207  
Attention: Director of Finance

(b) As to the Trustee or Bond Registrar --

U.S. Bank National Association  
214 North Tryon Street, Floor 27  
Charlotte, North Carolina 28202  
Attention: Global Corporate Trust Services

(c) As to the Local Government Commission --

North Carolina Local Government Commission  
Longleaf Building  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604  
Attention: Secretary

Unless otherwise specifically provided herein to the contrary, the Trustee shall also have the right to accept and act upon notices, certificates, consents, requests, waivers, requisitions, instructions and directions, including funds transfer and investment instructions (each for purposes of this paragraph, a "Notice"), under the Trust Agreement and this Tenth Supplemental Trust Agreement sent by Electronic Means by the City. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder; provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide Notices by Electronic Means ("Authorized Officers"), which incumbency certificate shall include each Authorized Officer's name, title, sample signature, telephone number, facsimile number and email address from which such Notices will be sent and shall be amended whenever a person is to be added or deleted from



the listing. The City agrees that the Trustee cannot determine the identity of the actual sender of Notices delivered by Electronic Means and that the Trustee shall be deemed to have acted reasonably in believing the genuineness of a Notice received by Electronic Means if such Notice on its face appears to have been signed by, and sent from the email address of, an Authorized Officer, as shown on the incumbency certificate provided to the Trustee. The City shall be responsible for ensuring that only its Authorized Officers use Electronic Means to deliver Notices to the Trustee, and the City and its Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. 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 Notices delivered by Electronic Means notwithstanding such Notices conflict or are inconsistent with a subsequent written Notice delivered by other means. If the Trustee accepts and acts upon a Notice delivered by Electronic Means in accordance with this paragraph, the City agrees (i) to assume all risks arising out of the use of such Electronic Means to submit Notices to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized Notices and the risk that a Notice is intercepted during transmission and misused by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that the Trustee has no responsibility for the City's security procedures in connection with its transmission of Notices and that such procedures, including the procedures set forth herein, provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures to the extent they may impact the use of Electronic Means to deliver Notices pursuant to this paragraph.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram, telephone or other electronic means and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Tenth Supplemental Trust Agreement, or photographic copies thereof, shall be retained in its possession until this Tenth Supplemental Trust Agreement shall be released under the provisions of Article XII of the Trust Agreement, subject at all reasonable times to the inspection of the City, any Owner and the agents and representatives thereof.

Section 702. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the City, the Local Government Commission, the Trustee or the Bond Registrar shall be unable to mail any notice required to be given by the provisions of this Tenth Supplemental Agreement, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner

shall for all purposes of this Tenth Supplemental Agreement be deemed to be in compliance with the requirement for the mailing thereof.

Section 703. City, Trustee, Bond Registrar and Owner Alone Have Rights Under Tenth Supplemental Agreement. Except as herein otherwise expressly provided, including, without limitation, nothing in this Tenth Supplemental Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City, the Trustee, the Bond Registrar and the Owner of the Series 2021 Bond, any right, remedy or claim, legal or equitable, under or by reason of this Tenth Supplemental Agreement or any provision being intended to be and being for the sole and exclusive benefit of the City, the Trustee, the Bond Registrar and the Owner of the Series 2021 Bond.

Section 704. Effect of Partial Invalidity. In case any one or more of the provisions of this Tenth Supplemental Agreement or the Series 2021 Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Tenth Supplemental Agreement or the Series 2021 Bond, but this Tenth Supplemental Agreement and the Series 2021 Bond 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 Tenth Supplemental Agreement or the Series 2021 Bond 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 City to the full extent permitted by law.

Section 705. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the City contained in this Tenth Supplemental Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent permitted by the Constitution and laws of the State. This Tenth Supplemental Agreement is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 706. 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 this Tenth Supplemental Agreement, nor shall they affect its meaning, construction or effect.

Section 707. Further Authority. The officers of the City, attorneys and other agents or employees of the City are hereby authorized to do all acts and things required of them by this Tenth Supplemental Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Series 2021 Bond and this Tenth Supplemental Agreement.

Section 708. Payment 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 Tenth Supplemental Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Tenth Supplemental Agreement.

Section 709. Multiple Counterparts. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 710. 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 shall require that any subcontractor that it uses in connection with the performance of its obligations under this Ninth Supplemental Trust Agreement to certify to such subcontractor’s compliance with E-Verify.

IN WITNESS WHEREOF, the City and the Trustee have caused this Tenth Supplemental Agreement to be executed in their respective names by their respective duly authorized representatives all as of the date first written above.

CITY OF SHELBY, NORTH CAROLINA

[SEAL]

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

Attest:

\_\_\_\_\_  
City Clerk

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By: \_\_\_\_\_  
Vice President

FORM OF SERIES 2021 BOND

R-1

\$ \_\_\_\_\_

United States of America  
 State of North Carolina  
 County of Cleveland

CITY OF SHELBY, NORTH CAROLINA  
 COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND  
 SERIES 2021

The City of Shelby, North Carolina (the “City”), a municipal corporation in Cleveland County, North Carolina, for value received, hereby promises to pay, but solely from the sources and in the manner hereinafter provided, to Truist Bank, or registered assigns or legal representative (the “Owner”), the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) in semi-annual installments of principal on the days and in the years and amounts set forth in Schedule A attached hereto and made a part hereof, and to pay, but solely from said sources, interest from the date hereof on the unpaid portion of said principal sum until payment thereof (computed on the basis of a 360-day year consisting of twelve 30-day months) at the rate of 1.40% per annum, subject to adjustment as provided below, such interest being payable in arrears on May 1 and November 1 of each year, beginning May 1, 2022, as set forth in Schedule A attached hereto.

Notwithstanding the foregoing, in the event of a Determination of Taxability, the interest rate on this bond, from and after the Inclusion Date, shall be adjusted to preserve the Owner’s after-tax economic yield with respect to the interest paid on the Series 2021 Bond. In addition, the City shall pay to the Owner (or any prior Owner) (i) an amount necessary to reimburse the Owner (or prior Owner) for any interest, penalties, or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Owner’s (or prior Owner’s) failure to include the interest paid on this bond in its gross income for income tax purposes, and (ii) upon request of the Owner (or any prior Owner), additional interest as a result of the increase in the interest rate on all previous payments made by the City after the Inclusion Date. In the event of a Determination of Taxability, the Owner of this bond shall provide the City with a new Installment Payment Schedule which reflects the new interest rate which will replace the Installment Payment Schedule set forth in Schedule A attached hereto.

Payment of the final installment of principal shall be made only upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association in Charlotte, North Carolina (the “Bond Registrar”), the principal sum set forth above. The interest so payable and punctually paid or duly provided for on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such

Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (hereinafter mentioned), notice whereof being given to the registered owners not less than ten (10) days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds (hereinafter mentioned) may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Trust Agreement. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond is a duly authorized revenue refunding bond of the City designated “Combined Enterprise System Revenue Refunding Bond, Series 2021” (the “Bond”), issued under and pursuant to the Constitution and laws of the State of North Carolina, including the Act, an order of the City adopted on October 4, 2021, authorizing the issuance of the Bond, a Trust Agreement, dated as of October 1, 1995 (the “Trust Agreement”), between the City and First Union National Bank of North Carolina (a predecessor Trustee), and a Tenth Supplemental Trust Agreement, dated as of November 1, 2021 (the “Tenth Supplemental Agreement”), between the City and U.S. Bank National Association, as successor Trustee (the “Trustee”). This bond is being issued for the purpose of providing funds, together with other available funds, to (a) refund the Refunded Bonds and (b) pay the costs and expenses incurred in connection with the sale issuance of the Bond. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement and the Tenth Supplemental Agreement.

This bond is a special obligation of the City secured by a pledge, charge and lien upon Net Receipts on a pari passu basis with the Outstanding Bonds and Parity Debt heretofore or hereafter issued or incurred pursuant to the Trust Agreement. The City is not obligated to pay the principal of or the interest on this bond except as provided in the Trust Agreement from Net Receipts or certain other monies made available therefor under the Trust Agreement, and neither the faith and credit nor the taxing power of the State of North Carolina or any political subdivision thereof or the City is pledged to the payment of the principal of and the interest on this bond.

The City has heretofore issued pursuant to the Trust Agreement various series of bonds (the “Prior Bonds”). The City has also incurred Parity Debt through various State clean water loan programs. The Trust Agreement provides for the issuance or incurrence from time to time under the conditions, limitations and restrictions set forth therein of additional bonds and Parity Debt secured pari passu as to the pledge of Net Receipts with the Outstanding Prior Bonds, the Bond, Parity Debt and any additional bonds or Parity Debt hereafter issued or incurred pursuant to the Trust Agreement.

Reference is made to the Trust Agreement and the Tenth Supplemental Agreement for a more complete statement of the provisions thereof and of the rights of the City, the Trustee and the registered owner of this bond. Copies of the Trust Agreement and the Tenth Supplemental Agreement are available for inspection by the registered owner of this bond at all reasonable times at the principal corporate trust office of the Trustee. By the purchase and acceptance of this bond, the registered owner hereof signifies assent to all of the provisions of the Trust Agreement and the Tenth Supplemental Agreement.

The Trust Agreement provides for the creation of a special fund designated “City of Shelby Combined Enterprise System Bond Fund” (the “Bond Fund”). Pursuant to the Tenth Supplemental Agreement, special subaccounts have been created within the various accounts of the Bond Fund with respect to the Bonds (the “Subaccounts”), which Subaccounts are pledged and charged with the payment of the principal of and the interest on this bond. The Tenth Supplemental Agreement provides for the deposit of Net Receipts to the credit of the Subaccounts to the extent and in the manner provided in the Trust Agreement and the Tenth Supplemental Agreement.

The Bond Registrar shall keep at its principal corporate trust office books for the registration of transfer of this bond. The transfer of this bond may be registered only upon such books and as otherwise provided in the Trust Agreement upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond registered in the name of the transferee in an aggregate principal amount equal to the principal amount of this bond, containing the same principal installments and bearing interest at the same rate. This bond may not be exchanged for any denomination other than the outstanding principal amount thereof.

Notwithstanding any other provisions of the Trust Agreement or the Tenth Supplemental Agreement to the contrary, the Bond Registrar shall not register the transfer of this bond to any person other than a bank, insurance company or similar financial institution unless such transfer has been previously approved by the Local Government Commission.

This bond is subject to redemption prior to maturity, at the option of the City, from any moneys that may be available for such purpose, in whole on any date, at a Redemption Price equal to 100% of the principal amount of this bond Outstanding on the redemption date, plus accrued interest to the redemption date.

At least ten (10) days but not more than sixty (60) days prior to the redemption date of any principal amount of the Bonds to be redeemed (unless otherwise waived by the Owner of the Bond), the Bond Registrar shall cause a notice of any such redemption signed by the Bond Registrar to be mailed, first class, postage prepaid, to the registered owner of this bond.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee or Bond Registrar on or prior to the redemption date of moneys sufficient to pay the Redemption Price of and interest on this bond to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and this bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the Redemption Price of and interest on this bond to be redeemed are not received by the Trustee or Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On the date designated for redemption, notice having been given as aforesaid, this bond shall become due and payable at the Redemption Price therefor plus accrued interest to such date.

The registered owner of this bond shall have 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 under the Trust Agreement, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement.

Modifications or alterations of the Trust Agreement and the Tenth Supplemental Agreement or in any supplement trust agreement thereto may be made only to the extent and in the circumstances permitted by the Trust Agreement and the Tenth Supplemental Agreement, as the case may be.

This bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Trust Agreement and the Tenth Supplemental Agreement, at all times shall be, and shall be understood to be, an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Trust Agreement and the Tenth Supplemental Agreement have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement or the Tenth Supplemental Agreement until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Shelby, North Carolina, by resolution duly adopted by its City Council, has caused this bond to be manually signed by the Mayor and the City Clerk and its official seal to be impressed hereon, all as of the \_\_\_\_ day of November, 2021.

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Mayor

[SEAL]

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City Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within City of Shelby, North Carolina Combined Enterprise System Revenue Refunding Bond, Series 2021 has been approved under the provisions of The State and Local Government Revenue Bond Act.

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Secretary, Local Government Commission



CERTIFICATE OF AUTHENTICATION

This bond is a bond of the series designated therein and issued under the provisions of the within mentioned Trust Agreement and Tenth Supplemental Agreement.

U.S. BANK NATIONAL ASSOCIATION, as Bond Registrar

By: \_\_\_\_\_  
Authorized Signatory

Date of authentication: \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

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PLEASE INSERT SOCIAL SECURITY NUMBER  
OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

---

---

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE

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the within bond and all right thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
\_\_\_\_\_, attorney, to transfer the within bond on the books  
kept for registration thereof, with full power of substitution in the premises.

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

In the presence of:

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

\_\_\_\_\_  
The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SCHEDULE A

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2022			
November 1, 2022			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			

BOND PURCHASE AGREEMENT

Among

City of Shelby, North Carolina,

Local Government Commission

and

Truist Bank

concerning

City of Shelby, North Carolina  
Combined Enterprise System Revenue Refunding Bond  
Series 2021

## BOND PURCHASE AGREEMENT

concerning

City of Shelby, North Carolina  
Combined Enterprise System Revenue Refunding Bond  
Series 2021

November 1, 2021

City of Shelby, North Carolina  
Shelby, North Carolina

Local Government Commission  
Raleigh, North Carolina

Ladies and Gentlemen:

Truist Bank (the “Bank”) hereby offers to enter into this Bond Purchase Agreement with the Local Government Commission, a division of the Department of State Treasurer of the State of North Carolina (the “LGC”), and the City of Shelby, North Carolina (the “City”), which, upon acceptance of this offer by the LGC and approval of this offer and of the LGC’s acceptance thereof by the City, will be binding upon the LGC, the City and the Bank.

1. Purchase and Sale of the Bond. Upon the terms and conditions hereof and upon the basis of the representations set forth herein, the Bank hereby agrees to purchase, and the LGC and the City hereby agree to sell to the Bank, \$\_\_\_\_\_ aggregate principal amount of the City of Shelby, North Carolina Combined Enterprise System Revenue Refunding Bond, Series 2021 (the “Bond”). The purchase price for the Bond shall be \$\_\_\_\_\_, representing the aggregate par amount of the Bond, less a fee of \$7,500.00 to be paid directly by the Bank to its legal counsel. The delivery and payment for the Bond and other actions contemplated hereby shall take place at the time thereof being herein sometimes called the “Closing.”

The Bond shall consist of one fully registered bond certificate in the aggregate principal amount of \$\_\_\_\_\_, shall be dated as of November 1, 2021, and shall bear interest from its date, at a rate of 1.40% per annum. The Bonds shall be issued and secured under the provisions of a bond order adopted by the City Council of the City (the “City Council”) on October 4, 2021 (the “Order”), a Trust Agreement, dated as of October 1, 1995 (the “Trust Agreement”), between the City and First Union National Bank of North Carolina (succeeded by U.S. Bank National Association), as trustee (the “Trustee”), and a Tenth Supplemental Trust Agreement, dated as of November 1, 2021 (the “Tenth Supplemental Agreement”), between the City and the Trustee. All capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Trust Agreement and the Tenth Supplemental Agreement.

The proceeds of the Bond are to be used to provide funds, together with other available funds, to (a) advance refund the Refunded Bonds (as defined in the Tenth Supplemental Agreement) and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Bond.

2. Representations of the Bank; Purchase for Account. (a) The Bank hereby acknowledges and represents, in respect of the Bond, that:

(i) the Bank is familiar with the City;

(ii) the Bank has been furnished with all financial and other information about the City, the Bond and the Combined Enterprise System as requested by the Bank; and

(iii) the City has made available to the Bank the opportunity to obtain additional information about the City.

(b) The Bank further acknowledges and represents in respect of the Bond that a part of the Bank's business consists of the purchase, holding and sale of obligations of the same general character as the Bond, and the Bank has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks inherent in purchasing the Bond. The Bank has made such investigation of the Bond and of the financial condition and operations of the City and the Combined Enterprise System as it deems necessary to evaluate the merits and risks inherent in purchasing the Bond. The Bank is aware that there may be no secondary market for the Bond and that it may be required to hold the Bond for an indefinite period. The Bank represents that it is purchasing the Bond for its own account with no present intention to resell or distribute the Bond or any interest therein; provided, however, that the Bank reserves the right at all times to control the disposition of its assets, including the Bond, and reserves the right to sell, assign and transfer the Bond or fractional interests in the Bond to other banks, insurance companies or similar financial institutions or to any other purchaser if such sale, assignment or transfer to such other purchaser is approved in writing by the LGC.

3. Representations and Warranties of the City. The City, by its acceptance hereof, represents and warrants to the Bank as follows:

(a) The City is a municipal corporation duly organized and validly existing under the laws of the State of North Carolina, and is authorized and empowered to provide for the refunding of the Refunded Bonds by causing the Bond to be issued.

(b) The City has heretofore duly, authorized, executed and delivered the Trust Agreement and has the full legal right, power and authority to perform its obligations thereunder.

(c) The City has the full legal right, power and authority to adopt the Order, to execute and deliver the Tenth Supplemental Trust Agreement and this Bond Purchase Agreement and to perform its respective obligations hereunder and thereunder.

(d) The Order has been duly adopted by the City Council, is in full force and effect and has not been modified or amended in any manner.

(e) The City has duly authorized (i) the execution and delivery of the Tenth Supplemental Agreement and this Bond Purchase Agreement, (ii) the issuance and delivery of the Bond and (iii) such action as may be required on the part of the City to consummate the transactions contemplated by such documents.

(f) This Bond Purchase Agreement, the Trust Agreement and the Tenth Supplemental Agreement constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(g) The City is not in violation of any applicable constitutional provision, law or administrative rule or regulation of the State of North Carolina or of the United States of America or in default under any agreement, resolution, indenture or instrument to which the City is a party or by which the City or its property is bound, the effect of which violation or default would materially affect the ability of the City to perform its obligations under this Bond Purchase Agreement, the Trust Agreement or the Tenth Supplemental Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a violation or default hereunder or thereunder.

(h) The execution and delivery of this Bond Purchase Agreement, the Trust Agreement and the Tenth Supplemental Agreement, the adoption of the Order and performance of the obligations of the City hereunder or thereunder do not and will not conflict with, result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the City other than Net Receipts pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument to which the City is a party or by which the City or its property is bound, or result in a violation of any applicable constitutional provision, law or administrative regulation or any order, rule or regulation of any court or governmental agency having jurisdiction over the City or its property, except as provided and permitted by such documents.

(i) Except for any action that may be required by applicable federal or state securities laws, no consent, authorization or order of, or filing or registration with, any court or governmental agency not already obtained or made is required for the execution, delivery and performance of this Bond Purchase Agreement or the consummation of the transactions contemplated hereunder, and any such consent, authorization or order so obtained is in full force and effect.

(j) Any certificate signed by an authorized officer of the City and delivered to the Bank shall be deemed a representation and warranty of the City to the Bank as to the statements made therein.

(k) To the best knowledge of the City, there is no litigation or any other proceeding before or by any court, public board, agency or body, pending or threatened against or affecting the City or any of the members of the City Council in their respective capacities as such (nor is there any basis therefor), wherein an unfavorable decision, ruling or finding would in any way materially adversely affect (i) the transactions contemplated by this Bond Purchase Agreement, (ii) the organization, existence or powers of the City or the title to the office of any of the

members of the City Council, (iii) the properties or assets or the condition, financial or otherwise, of the City or the Combined Enterprise System, (iv) the City's authority and ability to charge rates related to the Combined Enterprise System or to collect Revenues, (v) the validity or enforceability of this Bond Purchase Agreement, the Order, the Trust Agreement or the Tenth Supplemental Agreement (or any other agreement or instrument of which the City is a party or used or contemplated for use in the consummation of the transactions contemplated hereby) or (vi) the exemption from federal or State of North Carolina income taxation of the interest on the Bond.

(l) There has been no material adverse change in the financial condition of the City since June 30, 2020, except as otherwise specified to the Bank by the City prior to the date hereof in writing.

4. Representations and Warranties of the LGC. The LGC, by its acceptance hereof, represents and warrants to the Bank that:

(a) The LGC is duly organized and validly existing as a division of the Department of the State Treasurer of the State of North Carolina, vested with the rights and powers conferred upon it pursuant to Chapter 159 of the General Statutes of North Carolina, as amended.

(b) The LGC has full power and authority to approve the issuance and provide for the sale of the Bond as provided in this Bond Purchase Agreement, and the LGC has taken or will take all action required by the Act or other applicable laws in connection therewith.

(c) The LGC has duly authorized the execution and delivery of this Bond Purchase Agreement and has taken or will take all action necessary or appropriate to carry out the sale and delivery of the Bond to the Bank.

(d) The execution and delivery of this Bond Purchase Agreement and the performance by the LGC of its obligations hereunder are within the powers of the LGC and, to the best of the LGC's knowledge, will not conflict with or constitute a breach or result in a violation of (i) any federal or North Carolina constitutional or statutory provision, (ii) any agreement or other instrument to which the LGC is a party or by which it is bound, or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the LGC.

(e) Except for any action required by applicable federal or state securities laws, no consent, approval, authorization or order of any governmental or regulatory authority, other than the approvals of the City as herein required, is required to be obtained by the LGC as a condition precedent to the issuance or sale of the Bond or the execution and delivery of this Bond Purchase Agreement or the performance by the LGC of its obligations hereunder.

(f) There is no litigation or any other proceeding before any court or governmental body or agency pending or, to the knowledge of the LGC, threatened against or involving the LGC to restrain or enjoin the issuance or delivery of the Bond or the execution or delivery by the LGC of this Bond Purchase Agreement and the performance of its obligations hereunder.



5. Payment and Delivery. At 10:00 a.m., North Carolina time, on November 1, 2021, or at such other time or on such earlier or later date as mutually agreed upon, the City and the LGC will deliver or cause to be delivered the Bond to the Bank. Upon such delivery of the Bond, the Bank shall pay the purchase price for the Bond as specified in Section 1 hereof to the Trustee in immediately available funds, and the Trustee shall deposit the full purchase price thereof in the manner specified in Section 204 of the Tenth Supplemental Agreement. The Bond shall not be released to the Bank until the Trustee shall have received the purchase price for the Bond as provided above. The Closing on the Bond will be held at the offices of Womble Bond Dickinson (US) LLP in Raleigh, North Carolina, or at such other place as the City, the LGC, the Trustee and the Bank may mutually agree upon.

The Bank shall wire the purchase price to the Trustee pursuant to written wire transfer instructions provided by the Trustee and approved by the City. Prior to disbursing funds to pay the purchase price for the Bond, the Bank shall verify such wiring instructions with the Trustee verbally via telephone communication with an authorized representative of the Trustee, utilizing such verification procedures as are mutually agreeable to both parties. The Trustee shall be solely responsible for accurately identifying the wire transfer information contained in the wire transfer instructions delivered to the Bank, including but not limited to the bank name and its ABA number, beneficiary's account name and account number and beneficiary's physical address, together with other information requested by the Bank (collectively, "Remittance Instructions"). If the Remittance Instructions describe a beneficiary inconsistently by name and account number, the Bank may make payment on the basis of the account number alone, and the Bank is not obligated to detect such errors and assumes no risk of any loss resulting therefrom.

Upon request from an authorized representative of the Trustee, the Bank shall send to the Trustee written confirmation of such wire transfer in the form of a reference number, beneficiary name and wire amount. For the avoidance of doubt, such writing can be provided electronically. The Bank may record any telephone conversation between the Bank and a representative of the Trustee in order to reduce the risk of unauthorized or erroneous transfers. The Bank may retain such recording for as long as the Bank may deem necessary.

6. Conditions of Closing. The Bank has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the City and the LGC contained herein and to be contained in the documents and instruments to be delivered at Closing and upon the performance by the City and the LGC of their respective obligations hereunder, as of the date hereof. Accordingly, the Bank's obligation under this Bond Purchase Agreement to purchase and pay for the Bond shall be subject to the performance by the City and the LGC of their respective obligations to be performed hereunder and under such documents and instruments at or prior to Closing, and shall also be subject to the following conditions:

(a) At the time of Closing (i) the representations and warranties of the City and the LGC, respectively, contained herein shall be true, complete and correct, (ii) the Order, the Trust Agreement, the Tenth Supplemental Agreement and this Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Bank and (iii) the City and the LGC shall have duly adopted and there shall be in full force and effect such resolutions as in the opinion of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina ("Bond Counsel"), shall be necessary in

connection with the transactions contemplated hereby, and such resolutions shall not have been amended, modified or supplemented, except as may have been agreed to by the Bank.

(b) On or prior to the date of Closing, the Bank shall have received the following documents in form and substance reasonably satisfactory to the Bank:

(1) opinion of Bond Counsel, dated as of the date of Closing, in form and substance satisfactory to the Bank;

(2) opinion of the City Attorney, dated as of the date of Closing, in form and substance satisfactory to the Bank;

(3) executed counterparts or copies of the Trust Agreement, the Tenth Supplemental Agreement and this Bond Purchase Agreement;

(4) certified copies of all proceedings of the City relating to approvals or authorizations for the Bond and the execution and delivery of this Bond Purchase Agreement, including the adoption of the Order;

(5) certified copy of approving resolution of the LGC;

(6) opinion of Bond Counsel, dated as of the date of Closing and addressed to the Bank, to the effect that the Refunded Bonds are no longer Outstanding under the Trust Agreement;

(7) such other documents as may be required to be delivered pursuant to Section 208 of the Trust Agreement or Section 204 of the Tenth Supplemental Trust Agreement; and

(8) such additional certificates (including appropriate incumbency and no-litigation certificates), instruments, opinions or other documents as the Bank may reasonably request.

All representations and warranties of the City and the LGC set forth in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Bank or any person controlling the Bank and (ii) acceptance of and payment for the Bond.

7. Limitation of Liability of the LGC. The members, officers and employees of the LGC shall not be personally liable under this Agreement.

8. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

9. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing by first-class mail, postage prepaid, to the following addresses:

To the City:

City of Shelby, North Carolina  
300 South Washington Street  
Post Office Box 207  
Shelby, North Carolina 28151-0207  
Attention: Director of Finance

To the LGC:

North Carolina Local Government Commission  
Longleaf Building  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604  
Attention: Secretary

To the Bank:

Truist Bank  
5130 Parkway Plaza Boulevard  
Charlotte, North Carolina 28217  
Attention: Governmental Finance

10. Governing Law. This Bond Purchase Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

11. Severability. In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

12. E-Verify. The Bank 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 Bank 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 Bank shall require that any subcontractor that it uses in connection with the performance of its obligations under this Bond Purchase Agreement to certify to such subcontractor’s compliance with E-Verify.

13. Role of Bank. The Bank and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the Order, the Trust Agreement, the Tenth Supplemental Trust Agreement and this Bond Purchase Agreement (collectively, the “Bond Documents”) or the matters related to the sale and issuance of the Bond and any other information, materials or communications provided by the Bank: (a) the Bank and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Bank and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Bond Documents or the matters related to the sale and issuance of the Bond, information, materials or communications; (c) the Bank and its representatives are acting for their own interests; and (d) the City has been informed that the City should discuss the Bond Documents and matters related to the sale and issuance of the Bond, and any such other information, materials or communications with its own legal, tax, financial and other advisors that the City deems appropriate before executing and delivering this Bond Purchase Agreement or acting on such other matters related to the sale and issuance of the Bond or any such other information, materials or communications.

14. Privately Negotiated Loan. The Bank hereby acknowledges and agrees that it is purchasing the Bond in evidence of a privately negotiated financing and in that connection the Bond shall not be (a) assigned a separate rating by any municipal securities rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of offering document or official statement or (d) assigned a CUSIP number by Standard & Poor's CUSIP Service.

15. Patriot Act Compliance. The City acknowledges that it has been notified by the Bank that (a) the Bank is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001) (the "Patriot Act"), including, but not limited to, those sections relating to customer identification, monitoring and reporting of suspicious activities and the prevention of money laundering; (b) pursuant to the requirements of the Patriot Act, the Bank is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Act and to provide notice of such; and (3) federal law requires U.S. financial institutions to obtain, verify and record information about the individuals with significant control over business activities of the City and provide notice of such.

(signatures to follow)

[Counterpart signature page to Bond Purchase Agreement, dated November 1, 2021, among the City of Shelby, North Carolina, the Local Government Commission and Truist Bank]

This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by a duly authorized member of the LGC and the City and shall be valid and enforceable as of the time of such acceptance.

TRUIST BANK

By: \_\_\_\_\_  
Senior Vice President

[Counterpart signature page to Bond Purchase Agreement, dated November 1, 2021, among the City of Shelby, North Carolina, the Local Government Commission and Truist Bank]

Accepted:

LOCAL GOVERNMENT COMMISSION

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

[Counterpart signature page to Bond Purchase Agreement, dated November 1, 2021, among the City of Shelby, North Carolina, the Local Government Commission and Truist Bank]

Approved:

CITY OF SHELBY, NORTH CAROLINA

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



The City Council of the City of Shelby, North Carolina met in a regular meeting at the Don Gibson Theatre located at 318 South Washington Street in Shelby, North Carolina at 6:00 p.m. on October 4, 2021.

Present: Mayor O. Stanhope Anthony III, presiding, and Council Members

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Absent: Council Members

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Also Present: \_\_\_\_\_

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\* \* \* \* \*

\_\_\_\_\_ introduced the following order the title of which was read and a copy of which had been previously distributed to each Council Member:

**ORDER AUTHORIZING THE SALE AND ISSUANCE BY THE CITY OF SHELBY, NORTH CAROLINA OF A NOT TO EXCEED \$12,000,000 COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2021 AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

BE IT ORDERED by the City Council of the City of Shelby, North Carolina (the “City”):

Section 1. The City Council does hereby find and determine as follows:

(a) The City has heretofore entered into a Trust Agreement, dated as of October 1, 1995 (the “Trust Agreement”), with First Union National Bank of North Carolina (succeeded by U.S. Bank National Association), as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing and refinancing the cost of improvements to the City’s Combined Enterprise System created thereunder.

(b) Pursuant to the Trust Agreement and a Fifth Supplemental Trust Agreement, dated as of June 1, 2010, between the City and the Trustee, the City has heretofore issued its \$8,346,400 Combined Enterprise System Revenue Bond, Series 2010 (Taxable) (the “Series 2010 Bond”), \$2,733,824.87 of which is currently outstanding.

(c) Pursuant to the Trust Agreement and a Sixth Supplemental Trust Agreement, dated as of January 1, 2013, between the City and the Trustee, the City has heretofore issued its \$9,645,000 Combined Enterprise System Revenue Refunding Bond, Series 2013A (the “Series 2013A Bond”), \$5,525,000 of which is currently outstanding.

(d) Pursuant to the Trust Agreement and a Seventh Supplemental Trust Agreement, dated as of February 1, 2013, between the City and the Trustee, the City has heretofore issued its \$3,185,000 Combined Enterprise System Revenue Refunding Bond, Series 2013C (the “Series 2013C Bond”), \$1,625,000 of which is currently outstanding.

(e) Pursuant to the Trust Agreement and an Eighth Supplemental Trust Agreement, dated as of October 1, 2015, between the City and the Trustee, the City has heretofore issued its \$2,460,000 Combined Enterprise System Revenue Bond, Series 2015 (the “Series 2015 Bond”), \$1,664,074.78 of which is currently outstanding.

(f) The City is able to realize significant debt service savings through the refunding the outstanding principal amounts of the Series 2010 Bond, Series 2013A Bond, Series 2013C Bond and Series 2015 Bond (collectively, the “Refunded Bonds”).

(g) At a meeting held on September 20, 2021, the City Council authorized the filing of an application with the North Carolina Local Government Commission (the “Commission”) requesting approval of the issuance of the City’s combined enterprise system revenue refunding bond in an aggregate principal amount not to exceed \$12,000,000 for the purpose of providing

funds, together with other available funds, to (i) refund the Refunded Bonds and (ii) pay the fees and expenses incurred in connection with the sale and issuance of such revenue refunding bond.

(h) The City, by resolution, has requested the Commission to approve the application of the City for the issuance of the proposed revenue refunding bond in the aggregate principal amount not to exceed \$12,000,000 in accordance with G.S. 159-86 and has also requested the Commission to sell the proposed revenue refunding bond at private sale without advertisement.

(i) The City has determined to issue its City of Shelby, North Carolina Combined Enterprise System Revenue Refunding Bond, Series 2021 (the “Series 2021 Bond”) in the aggregate principal amount not to exceed \$12,000,000 for the purpose of providing funds, together with other available funds, to (i) refund the Refunded Bonds and (ii) pay the fees and expenses incurred in connection with the sale and issuance of the Series 2021 Bond.

(j) The City proposes to sell the Series 2021 Bond to Truist Bank (the “Purchaser”) at such price determined by the Commission, subject to the approval of the City.

(k) There have been presented to the City Council at this meeting drafts of the following documents relating to the issuance and sale of the Series 2021 Bond:

(1) Tenth Supplemental Trust Agreement, to be dated as of November 1, 2021 (the “Tenth Supplemental Trust Agreement”), between the City and the Trustee, including the form of the Series 2021 Bond set forth in Exhibit A thereto; and

(2) Bond Purchase Agreement, to be dated the date of delivery thereof (the “Bond Purchase Agreement”), among the City, the Commission and the Purchaser.

(l) The City has determined that the sale and issuance of the Series 2021 Bond in the manner provided in this order is in the best interests of the City.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the Trust Agreement and the Tenth Supplemental Trust Agreement.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the City hereby authorizes the issuance of the Series 2021 Bond in the aggregate principal amount not to exceed \$12,000,000 for the purposes set forth in this order. The amount of the Series 2021 Bond has been determined to be sufficient, together with other available funds, to (a) refund the Refunded Bonds and (b) pay the fees and expenses incurred in connection with the sale and issuance of the Series 2021 Bond. The Series 2021 Bond shall mature at such times and in such amounts as shall be set forth in the Tenth Supplemental Trust Agreement, subject to the provisions of this order. The Series 2021 Bond shall be initially issued as one fully-registered bond with semi-annual payments of principal and interest due and payable on each May 1 and November 1, beginning May 1, 2022, as set forth in the Tenth Supplemental Trust Agreement. The final installment payments of the Series 2021 Bond shall not be later than November 1, 2030.

Section 4. The Series 2021 Bond shall be subject to optional redemption at the time, upon the terms and conditions, and at the price as shall be set forth in the Trust Agreement and the Tenth Supplemental Trust Agreement.

Section 5. The proceeds of the 2021 Bond shall be applied as provided in Section 204 of the Tenth Supplemental Trust Agreement.

Section 6. The Series 2021 Bond and any other obligations secured on a parity therewith pursuant to the provisions of the Trust Agreement, shall be secured on a parity basis by a pledge, charge and lien upon the Net Receipts and the money and Investment Obligations held in the

accounts and subaccounts of the Bond Fund in the manner and to the extent provided in the Trust Agreement and the Tenth Supplemental Trust Agreement.

Section 7. The proposal submitted by the Purchaser offering to purchase the Series 2021 Bond bearing interest at the rate of 1.40% per annum (subject to adjustment as set forth in the Tenth Supplemental Trust Agreement and the Series 2021 Bond) at a purchase price equal to 100% of the principal amount of the Series 2021 Bond (less any fee payable to the Purchaser or its legal counsel), subject to the approval thereof by the Commission, is hereby approved. The Commission is hereby requested to sell and award the Series 2021 Bond to the Purchaser on behalf of the City, subject to the approval of the City.

Section 8. The form, terms and provisions of the Tenth Supplemental Trust Agreement and the Bond Purchase Agreement are hereby approved, and the Mayor, the Mayor Pro Tempore, the City Manager and the Director of Finance of the City are each hereby authorized and directed to execute and deliver on behalf of the City the Tenth Supplemental Trust Agreement and the Bond Purchase Agreement in substantially the forms presented at this meeting, together with such modifications the person executing such documents, with the advice of counsel, may deem necessary or appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the forms and content thereof. The City Clerk or any deputy or assistant City Clerk shall be authorized to attach the official seal of the City to each of such documents as may be required and to attest the same.

Section 9. The Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance, the City Clerk and the City Attorney, or any of them or their deputies or assistants, are each hereby authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver such certificates, agreements, instruments,

opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the Trust Agreement, the Tenth Supplemental Trust Agreement and the Bond Purchase Agreement, including the preparation and distribution of such redemption notices as may be required for the redemption of the Refunded Bonds.

The officers of the City and the agents and employees of the City are hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Series 2021 Bond, the Trust Agreement, the Tenth Supplemental Trust Agreement and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 10. The sale and issuance of the Series 2021 Bond is hereby approved subject to the terms and conditions set forth in this order.

Section 11. This order shall take effect immediately upon its adoption.

Upon motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, the foregoing order entitled "ORDER AUTHORIZING THE SALE AND ISSUANCE BY THE CITY OF SHELBY, NORTH CAROLINA OF A NOT TO EXCEED \$12,000,000 COMBINED ENTERPRISE SYSTEM REVENUE REFUNDING BOND, SERIES 2021 AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH" was adopted by the following vote:

Ayes: \_\_\_\_\_

\_\_\_\_\_

Noes: \_\_\_\_\_

\_\_\_\_\_

\* \* \* \* \*

I, Bernadette A. Parduski, City Clerk of the City of Shelby, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of the City Council of said City at a regular meeting held on October 4, 2021, as relates in any way to the adoption of the foregoing order and that said proceedings are to be recorded in the minute books of said City Council.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of the City this 4<sup>th</sup> day of October, 2021.

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City Clerk

[SEAL]

City of Shelby  
Agenda Item Summary  
October 4, 2021  
Don Gibson Theater

D. New Business

None

Agenda Item: E

City Manager's Report

I will report to Mayor and Council on a number of ongoing projects and issues. The projects and issues reported upon are intended to be for your information and do not necessarily require action by Council.

Agenda Item: F

Council Announcements and Remarks

G. Adjournment:

To adjourn a meeting of City Council, a majority of the Council members must vote for a motion to adjourn.

- 1) Motion to adjourn