

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

**MEETING OF THE BOARD OF DIRECTORS
APRIL 4, 2024 AT 6:00 P.M.**

**LAURENS COUNTY ADMINISTRATION BUILDING
100 HILLCREST SQUARE, LAURENS, SOUTH CAROLINA 29360**

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

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100 HILLCREST SQUARE, LAURENS, SOUTH CAROLINA 29360

AGENDA

1. Call to Order
2. Invocation and Pledge
3. Acknowledgement of compliance with South Carolina Freedom of Information Act, codified at Section 30-4-10 et seq. of the Code of Laws of South Carolina, 1976, as amended.
4. Approval of Minutes – March 14, 2024 Meeting
5. A Resolution Authorizing the Execution of Documents relating to the Issuance, Sale and Delivery of not exceeding \$35,000,000 Aggregate Principal Amount Laurens County Public Facilities Corporation Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024; Authorizing the Execution of a Trust Agreement Between Laurens County Public Facilities Corporation and U.S. Bank Trust Company, National Association; Authorizing the Execution of a Base Lease Agreement Between The Corporation and Laurens County, South Carolina; Authorizing the Execution of an Installment Purchase and Use Agreement Between the Corporation and the County; Authorizing a Bond Purchase Agreement with the Underwriter; Authorizing and Deeming Final a Preliminary Official Statement Relating to the Series 2024 Bonds; Authorizing the Execution of a Final Official Statement Relating to the Series 2024 Bonds; and Providing for All Other Matters Relating to the Foregoing.
6. Adjourn

LAURENS COUNTY PUBLIC FACILITIES CORPORATION
ORGANIZATIONAL MEETING

MEETING OF THE BOARD OF DIRECTORS

MARCH 14, 2024 AT 6:00 P.M.

LAURENS COUNTY ADMINISTRATION BUILDING
100 HILLCREST SQUARE, LAURENS, SOUTH CAROLINA 29360

ATTENDING BOARD MEMBERS: Barton Holmes, Harold Nichols, Billy Wilson

OTHER ATTENDEES: Renee Morrow, H. Thomas Morgan, Jr., Sara Weathers (via phone)

ATTENDING PRESS: None.

AGENDA ITEMS: 1) Call to Order; 2) Invocation and Pledge; 3) Confirmation of Appointment of Board by Sole Incorporator; 4) Election of Chairman; 5) Acknowledgement of compliance with South Carolina Freedom of Information Act, codified at Section 30-4-10 et seq. of the Code of Laws of South Carolina, 1976, as amended; 6) Confirmation of Actions by Sole Incorporator; 6a. Articles of Incorporation, Articles of Amendment, and 501(c)(3) Attachment; b. Bylaws; 7) Election of Officers; a. President; b. Secretary; 8) Request for Corporate Seal; 9) Adoption of Fiscal Year; 10) Establishment of Banking Relationship; 11) Establishment of Accounting Relationship; 12) Request for Tax Identification Number; 13) Adoption of Registered Office and Registered Agent; 14) Solicitation and procurement of Director's and Officer's Liability Coverage; 15) Registration with Secretary of State under South Carolina Charitable Funds Act; 16) Miscellaneous Action Items; a. Authorization for officers to act on the behalf of Corporation; b. Ratification of prior actions; c. Relief of sole incorporator; 17) Discuss next meeting date; 18) Executive Session, if needed, to discuss and receive legal advice; 19) Take any action necessary based on information received in Executive Session; 20) Adjournment

MEETING NOTIFICATION: Board members, press, and general public were notified of the meeting in a timely manner, including postings of the agenda on the County website.

CALL TO ORDER: H. Thomas Morgan, Jr., as Counsel for the Laurens County Public Facilities Corporation called the meeting to order at 6:00 PM.

INVOCATION AND PLEDGE OF ALLEGIANCE

CONFIRMATION OF APPOINTMENT OF BOARD OF DIRECTORS BY SOLE INCORPORATOR: The Board of Directors consist of Barton Holmes, Harold Nichols, and Billy Wilson.

ELECTION OF CHAIRMAN: BOARD MEMBER NICHOLS made a MOTION to nominate Barton Holmes to serve as Chairman of the Laurens County Public Facilities Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**. Chairman Holmes took over running the meeting from Mr. Morgan.

CHAIRMAN HOLMES GAVE ACKNOWLEDGEMENT OF COMPLIANCE WITH SOUTH CAROLINA FREEDOM OF INFORMATION ACT, CODIFIED AT SECTION 30-4-10 et seq. OF THE CODE OF LOAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

CONFIRMATION OF ACTIONS BY SOLE INCORPORATOR:

- A. ARTICLES OF INCORPORATION, ARTICLES OF AMENDMENT, AND 501(c)(3) ATTACHMENT:** CHAIRMAN HOLMES made a MOTION to ratify, confirm, and adopt the Articles of Incorporation, Articles of Amendment, and 501(c)(3) Attachment as filed with the

South Carolina Secretary of State; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

- B. BYLAWS:** BOARD MEMBER NICHOLS made a MOTION to ratify, confirm, and adopt the Bylaws of the Laurens County Public Facilities Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

ELECTION OF OFFICERS:

- A. PRESIDENT:** BOARD MEMBER NICHOLS made a MOTION to nominate Barton Holmes to serve as President of the Laurens County Public Facilities Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.
- B. SECRETARY:** CHAIRMAN HOLMES made a MOTION to nominate Cheyenne Noffz to serve as Secretary of the Laurens County Public Facilities Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

REQUEST FOR CORPORATE SEAL: CHAIRMAN HOLMES made a MOTION to authorize the President to make arrangements for the creation of the corporate seal; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

ADOPTION OF FISCAL YEAR: CHAIRMAN HOLMES made a MOTION that the fiscal year of the Corporation shall begin on the first day of July and end on the last day of June in the next succeeding year; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0**.

ESTABLISHMENT OF BANKING RELATIONSHIP: CHAIRMAN HOLMES made a MOTION that the President shall make proper arrangements with a qualified banking institution to serve as the depository in which funds of the Corporation shall be deposited; that the President or the Treasurer shall be authorized to execute on behalf of the Corporation any account agreement and other documents as may be necessary to open such account(s) and to designate directors and/or officers as signatories on such account(s); it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

ESTABLISHMENT OF ACCOUNTING RELATIONSHIP: CHAIRMAN HOLMES made a MOTION that the President shall make proper arrangements with a qualified external accounting firm, which may include the Laurens County's external audit firm, to serve as the external auditor for the Corporation and shall audit the Corporation's financial records on an annual basis; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0**.

REQUEST FOR TAX IDENTIFICATION NUMBER: CHAIRMAN HOLMES made a MOTION that the Laurens County Public Facilities Corporation procure a federal EIN for the corporation and nominate H. Thomas Morgan, Jr. to serve as Third Party Designee for the Laurens County Public Facilities Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

ADOPTION OF REGISTERED OFFICE AND REGISTERED AGENT: CHAIRMAN HOLMES made a MOTION to nominate H. Thomas Morgan, Jr., Esq., to serve as registered agent for the Laurens County Public Facilities Corporation, with his office serving as the Laurens County Public Facilities Corporation's registered office, located at 935 Broad Street, Camden, South Carolina 29020; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0**.

SOLICITATION AND PROCUREMENT OF DIRECTOR'S AND OFFICER'S LIABILITY COVERAGE: CHAIRMAN HOLMES made a MOTION to authorize the President, if deemed advisable and cost effective in his sole discretion, to procure Directors' and Officers' liability insurance covering the directors and officers of the Corporation in the performance of their duties on behalf of the Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0**.

March 14, 2024- LCPFC Board of Directors Meeting

CHAIRMAN HOLMES made a MOTION to authorize the President, on behalf of the aforesaid directors and officers of the Corporation, to expend such funds of the corporation (as necessarily appropriated by the City of Laurens) that he deems appropriate in his discretion to obtain such insurance and for that the Corporation, on behalf of the aforesaid directors and officers, is hereby authorized to expend such amounts that the Directors deem appropriate in their sole discretion for said insurance. The initial policy shall be for an amount equal to at least \$1,000,000; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0.**

REGISTRATION WITH SECRETARY OF STATE UNDER SOUTH CAROLINA CHARITABLE FUNDS ACT: CHAIRMAN HOLMES made a MOTION that unless the Corporation is otherwise determined to be exempt, that prior to any request for money, credit, financial assistance, or property of any kind or value from any individual, organization, trust, foundation, group, association, partnership, corporation or society, the proper officer shall file the appropriate form to register under the Solicitation of Charitable Funds Act for the Corporation; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0.**

MISCELLANEOUS ACTION ITEMS:

- A. AUTHORIZATION FOR OFFICERS TO ACT ON BEHALF OF CORPORATION:** CHAIRMAN HOLMES made a MOTION on behalf of the aforesaid directors and officers of the Corporation, to expend such funds of the corporation (as necessarily appropriated by the City of Laurens) that he deems appropriate in his discretion to obtain such insurance and for that the Corporation, on behalf of the aforesaid directors and officers, is hereby authorized to expend such amounts that the Directors deem appropriate in their sole discretion for said insurance. The initial policy shall be for an amount equal to at least \$1,000,000; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0.**
- B. RATIFICATION OF PRIOR ACTIONS:** CHAIRMAN HOLMES made a MOTION that all such actions described herein taken by the officers, or any one of them, and any person authorized to act by them or any one of them, which acts have been authorized by the foregoing resolutions, except such acts that were taken prior to the adoption or consent of such action, are hereby severally ratified, confirmed, approved and adopted as acts on behalf of the Corporation; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0.**
- C. RELIEF OF SOLE INCORPORATOR:** CHAIRMAN HOLMES made a MOTION that Sara E. Weathers, Esq. as sole incorporator, be hereby relieved of all duties in connection with the incorporation of the Corporation, and that all acts and other undertakings of Sara E. Weathers, Esq. are hereby ratified and confirmed by the Corporation as acts on behalf of the Corporation; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0.**

DISCUSS NEXT MEETING DATE: Chairman Holmes recommended the week of April 1st due to the County Council meeting being on April 8th. CHAIRMAN HOLMES made a MOTION to hold the next Laurens County Public Facilities Corporation Board of Directors meeting on April 4, 2024, at 6:00pm; it was SECONDED by BOARD MEMBER WILSON, **vote 3-0.**

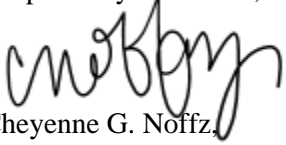
EXECUTIVE SESSION, IF NEEDED, TO DISCUSS AND RECEIVE LEGAL ADVICE: None.

TAKE ANY ACTION NECESSARY BASED ON INFORMATION RECEIVED IN EXECUTIVE SESSION: None.

ADJOURNMENT: BOARD MEMBER WILSON made a MOTION to adjourn; it was SECONDED by BOARD MEMBER NICHOLS, **vote 3-0.**

March 14, 2024- LCPFC Board of Directors Meeting

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Noffz', written in a cursive style.

Cheyenne G. Noffz,
LCPFC Secretary

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

**RESOLUTION AUTHORIZING AN INSTALLMENT PURCHASE
TRANSACTION AND THE ISSUANCE OF INSTALLMENT PURCHASE
REVENUE BONDS**

A RESOLUTION AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING TO THE ISSUANCE, SALE AND DELIVERY OF NOT EXCEEDING \$35,000,000 AGGREGATE PRINCIPAL AMOUNT LAURENS COUNTY PUBLIC FACILITIES CORPORATION INSTALLMENT PURCHASE REVENUE BONDS (LAURENS COUNTY PUBLIC FACILITIES PROJECT), SERIES 2024; AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT BETWEEN LAURENS COUNTY PUBLIC FACILITIES CORPORATION AND U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION; AUTHORIZING THE EXECUTION OF A BASE LEASE AGREEMENT BETWEEN THE CORPORATION AND LAURENS COUNTY, SOUTH CAROLINA; AUTHORIZING THE EXECUTION OF AN INSTALLMENT PURCHASE AND USE AGREEMENT BETWEEN THE CORPORATION AND THE COUNTY; AUTHORIZING A BOND PURCHASE AGREEMENT WITH THE UNDERWRITER; AUTHORIZING AND DEEMING FINAL A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE SERIES 2024 BONDS; AUTHORIZING THE EXECUTION OF A FINAL OFFICIAL STATEMENT RELATING TO THE SERIES 2024 BONDS; AND PROVIDING FOR ALL OTHER MATTERS RELATING TO THE FOREGOING

RESOLUTION AUTHORIZING AN INSTALLMENT PURCHASE
TRANSACTION AND THE ISSUANCE OF INSTALLMENT
PURCHASE REVENUE BONDS

April 4, 2024

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BE IT RESOLVED by the Board of Directors of Laurens County Public Facilities Corporation in meeting duly assembled as follows:

ARTICLE I

FINDINGS OF FACT

Section 1.1 Findings. In connection with the adoption of this resolution (this “*Resolution*”) the Board of Directors of Laurens County Public Facilities Corporation finds as a fact, as follows:

(a) Laurens County Public Facilities Corporation, a South Carolina nonprofit corporation (the “*Corporation*”), has been formed for the purpose of supporting certain activities of Laurens County, South Carolina (the “*County*”).

(b) The Corporation intends to issue Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 in a principal amount not to exceed \$35,000,000, in one or more series, and as taxable or tax-exempt obligations (the “*Series 2024 Bonds*”) under and pursuant to the terms of a Trust Agreement (the “*Trust Agreement*”) by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), the proceeds of which will be used by the Corporation to provide funds (i) to defray the cost of the 2024 Project (as defined in the Trust Agreement), (ii) to fund capitalized interest on the 2024 Project through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on any municipal bond insurance policy.

(c) If the Series 2024 Bonds are sold, Wells Fargo Bank, National Association, as underwriter (the “*Underwriter*”) will agree to purchase the Series 2024 Bonds pursuant to the terms and conditions of a bond purchase agreement between the Underwriter and the Corporation, and acknowledged by the County (the “*Bond Purchase Agreement*”).

(d) The County and the Corporation will enter into a Base Lease Agreement (the “*Base Lease*”) pursuant to which the County will lease certain real property to the Corporation (as more particularly described in Exhibit A attached to the Base Lease, as such Exhibit A may be amended from time to time, the “*2024 Real Property*”) and convey to the Corporation the Existing Facilities (as defined in the Base Lease), and pursuant to which the Corporation will pay Base Lease Rent (as defined in the Base Lease) to the County.

(e) The Corporation will enter into an Installment Purchase and Use Agreement (the “*Purchase and Use Agreement*”), and together with the Base Lease, the Trust Agreement, and the actions authorized in each agreement, the “*Transactions*”) with the County pursuant to which, subject to Section 3.1 of the Purchase and Use Agreement, the Corporation will provide for the consummation of the Transactions, and further, pursuant to which the County will purchase from the Corporation the Facilities (as defined in the Purchase and Use Agreement) and will be entitled to occupy the Facilities pending completion of the payment therefor.

(f) The payments to be made under the Purchase and Use Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to the Trustee pursuant to the Trust Agreement, in order to secure and provide a source of payment for the Series 2024 Bonds, the proceeds of which are to be used for the purposes described above and in the Trust Agreement.

(g) The Board of Directors of the Corporation, as governing body of the Corporation (the “**Board of Directors**”), find it to be in furtherance of the public purposes of the Corporation that the Corporation approve and enter into certain documents to effect the issuance and sale of the Series 2024 Bonds and the consummation of the Transactions.

ARTICLE II

AUTHORIZATION OF FINANCING DOCUMENTS

Section 2.1 Base Lease, Purchase and Use Agreement, and Trust Agreement. The forms, terms and provisions of the Base Lease, the Purchase and Use Agreement, and the Trust Agreement, as presented to this meeting are hereby approved and all of the terms and provisions thereof are hereby incorporated herein by reference as if the Base Lease, the Purchase and Use Agreement and the Trust Agreement were set out in this Resolution in their entirety. The President, the Treasurer, and the Secretary of the Board of Directors (collectively, the “**Authorized Officers**” or individually, an “**Authorized Officer**”) are hereby individually and jointly authorized, empowered and directed to execute, acknowledge, and deliver the Base Lease, the Purchase and Use Agreement, and the Trust Agreement in substantially the forms now before this meeting and hereby approved, or with such changes therein as may be deemed necessary by the persons executing the same, upon advice of counsel, to accomplish the purposes of the transactions contemplated therein and in this Resolution and as shall not be inconsistent with or contrary to such purposes. The execution of the Base Lease, the Purchase and Use Agreement, and the Trust Agreement shall constitute conclusive evidence of the approval thereof by the person(s) executing the same, including the approval of any and all such changes.

Section 2.2 Use of Proceeds of the Series 2024 Bonds. The proceeds of the Series 2024 Bonds will be used to effect the Transactions.

Section 2.3 Tax Covenants. The Authorized Officers are hereby individually and jointly authorized, empowered and directed to execute, acknowledge and deliver the Tax Certificate (as defined in the Trust Agreement).

ARTICLE III

AUTHORIZATION AND SALE OF THE SERIES 2024 BONDS

Section 3.1 Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement presented to this meeting are hereby approved and all of the terms and provisions thereof are hereby incorporated herein by reference as if the Bond Purchase Agreement were set out in this Resolution in its entirety. The Authorized Officers are hereby individually and jointly authorized, empowered and directed to execute, acknowledge, and deliver the Bond

Purchase Agreement substantially in the form presented to this meeting to accomplish the purposes of the transactions contemplated therein and in this Resolution and as shall not be inconsistent with or contrary to such purposes. It is understood and agreed that the terms and provisions of the Bond Purchase Agreement will be completed upon the sale of the Series 2024 Bonds and the President, the Treasurer or the Secretary, or any one of them, are authorized to accept and execute the Bond Purchase Agreement, with their execution constituting conclusive evidence of the approval thereof by the person(s) executing the same, including the approval of any and all changes.

Section 3.2 Approval of Preliminary and Final Official Statement. The preliminary official statement, to be dated on or about April 10, 2024 (or such date as shall be necessary, in the judgment of the Underwriter), prepared by the Corporation and the County for use by the Underwriter in connection with the issuance of the Series 2024 Bonds (the “*Preliminary Official Statement*”) is hereby approved and its use by the Underwriter for such purposes is hereby approved and ratified. Each of the Authorized Officers is hereby authorized to examine and “deem final” the Preliminary Official Statement within the meaning of Rule 15c2-12 of the rules and regulations of the United States Securities and Exchange Commission. The Corporation hereby approves and consents to the preparation, use and distribution by the Underwriter of a final official statement (the “*Official Statement*”) for such purposes, on or about April 17, 2024 (or such date as shall be necessary, in the judgment of the Underwriter), in substantially the form of the Preliminary Official Statement, in connection with the public offering of the Series 2024 Bonds. Any of the Authorized Officers is hereby authorized and directed to complete, execute and deliver the final Official Statement, together with such changes, modifications, and deletions as such Authorized Officer, with the advice of counsel, may deem necessary and appropriate; such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 3.3 Execution and Delivery of the Series 2024 Bonds. The Authorized Officers are hereby authorized to execute and deliver the Series 2024 Bonds and deliver the same to the Underwriter upon compliance with the terms and provisions of the Trust Agreement and the Bond Purchase Agreement. The Series 2024 Bonds shall be in substantially the form provided in the Trust Agreement.

ARTICLE IV

TRUSTEE

Section 4.1 Consent. The Corporation hereby consents to the appointment of the Trustee under the terms and conditions provided in the Trust Agreement; provided, however, that the President may appoint a different trustee upon the advice of counsel to the Corporation.

ARTICLE V

GENERAL AUTHORIZATION

Section 5.1 General Authorization. The Authorized Officers and all other officers of the Corporation are hereby authorized to execute and deliver such documents and take such actions as they deem necessary or desirable or may be required under the Trust Agreement, the Base Lease and the Purchase and Use Agreement in order to comply with the terms thereof.

Section 5.2 Effective Date. This Resolution shall take effect immediately and no further authorization is required to execute and deliver all documents and certificates required to effect the sale, issuance, and delivery of the Series 2024 Bonds. This Resolution shall be construed liberally to effect the intent of the Board of Directors.

ADOPTED this 4th day of April 2024.

**LAURENS COUNTY PUBLIC
FACILITIES CORPORATION**

(SEAL)

President, Board of Directors

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

PURCHASE AND USE AGREEMENT

INSTALLMENT PURCHASE AND USE AGREEMENT

LAURENS COUNTY PUBLIC FACILITIES CORPORATION
as Seller

and

LAURENS COUNTY, SOUTH CAROLINA
as Buyer

[\$[PAR]]
LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024

Dated as of [May 1, 2024]

All right, title and interest of Laurens County Public Facilities Corporation in this Installment Purchase and Use Agreement (with certain exceptions) have been assigned to U.S. Bank Trust Company, National Association, as Trustee under the Trust Agreement dated of even date herewith, and are subject to the security interest of the Trustee.

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INSTALLMENT PURCHASE AND USE AGREEMENT

This INSTALLMENT PURCHASE AND USE AGREEMENT dated as of [May 1, 2024] (this “*Purchase and Use Agreement*”), is made and entered into by and between LAURENS COUNTY PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the “*Corporation*”), a South Carolina nonprofit corporation, as seller, and LAURENS COUNTY, SOUTH CAROLINA (the “*County*”), a political subdivision of the State of South Carolina (the “*State*”), as buyer.

WITNESSETH

WHEREAS, the Corporation is a nonprofit corporation formed under the provisions of Title 33, Chapter 31, Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”);

WHEREAS, the County is a political subdivision of the State and is authorized under the provisions of Title 4, Chapter 9, Article 1 of the South Carolina Code (the “*Act*”), to enter into this Purchase and Use Agreement;

WHEREAS, the Corporation and the County have entered into a Base Lease Agreement dated as of [May 1, 2024] (the “*Base Lease*”) pursuant to which the County has conveyed the Existing Facilities (as defined herein) to the Corporation and is leasing the 2024 Real Property (as such term is defined in the Base Lease) to the Corporation so that the Corporation, as consideration, may provide for the 2024 Project (as defined herein) from the proceeds of the Series 2024 Bonds (as defined herein);

WHEREAS, at present, the County’s emergency medical services (EMS) facilities, public safety facilities, graphical information system (GIS) facilities, coroner facilities, County Council and public meeting facilities, and other administrative facilities are inadequate for their intended purposes. In light of these conditions and in order to provide adequate facilities to accomplish critical County purposes, the County requires the construction, reconstruction, acquisition, installation, renovation, and equipping of (i) the historic courthouse, and (ii) Hillcrest Complex East, referred to herein as the 2024 Project. The total cost of the 2024 Project, and financing costs are estimated not to exceed \$35,000,000;

WHEREAS, the Corporation will sell the Facilities (as defined herein) to the County pursuant to the terms of this Purchase and Use Agreement;

WHEREAS, in order to provide funds (i) to defray the cost of the 2024 Project, (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on any municipal bond insurance policy, the Corporation has entered into a Trust Agreement, dated as of [May 1, 2024] (the “*Trust Agreement*”), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), and authorized the issuance of its \$[PAR] Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “*Series 2024 Bonds*”);

WHEREAS, the County Council of Laurens County, the governing body of the County, has enacted an authorizing ordinance on April 8, 2024 (the “**Authorizing Ordinance**”), the provisions of which authorize the County to enter into an installment purchase transaction for the purpose of effecting the financing of the 2024 Project and the County’s purchase of the Facilities, subject to the conditions set forth in the Authorizing Ordinance;

WHEREAS, the County has agreed to make certain payments (as defined herein, the “**Installment Payments**”) for the acquisition of the Facilities, and in return the Corporation has agreed to issue the Series 2024 Bonds for the purposes set forth herein, and, pending the acquisition of the Facilities pursuant to this Purchase and Use Agreement, the County shall be entitled to the use and occupancy of the 2024 Real Property and the Facilities; and

WHEREAS, all right, title, and interest of the Corporation in this Purchase and Use Agreement (with certain exceptions) including the right to receive Installment Payments, are being assigned by the Corporation to the Trustee under the Trust Agreement as security and a source of payment for the Series 2024 Bonds.

NOW, THEREFORE, for and in consideration of the Corporation’s undertaking of the 2024 Project, the undertaking of the County to pay the Installment Payments hereunder, the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Corporation and the County, intending to be legally bound, do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Trust Agreement or as set forth below.

“**2024 Project**” means the construction, reconstruction, acquisition, installation, renovation, and equipping of (i) the historic courthouse, and (ii) Hillcrest Complex East on the 2024 Real Property.

“**2024 Real Property**” has the meaning give such term in the Base Lease. As of the date of this Purchase and Use Agreement, the 2024 Real Property is as described on Exhibit A hereof.

“**Additional Bonds**” has the meaning given such term in the Trust Agreement.

“**Additional Facilities**” means any facilities of the County acquired, improved, renovated, or constructed by the Corporation with the proceeds of Additional Bonds and made subject to this Purchase and Use Agreement by an amendment to Exhibit B hereof.

“**Additional Payments**” means that portion of the Installment Payments specified in Sections 4.1, 4.2, and 4.4 hereof as Additional Payments.

“Additional Real Property” means any real property in addition to the 2024 Real Property that is or will become the site of Additional Facilities and as described in a supplement to the Base Lease.

“Administrative Facilities” means that Facilities Component described at Exhibit B hereto.

“Available Sources” means any legally available funds lawfully appropriated by the County Council, and which may include proceeds of general obligation debt or Additional Bonds.

“Base Payments” means that portion of the Installment Payments specified in Section 4.1 hereof as Base Payments.

“Base Lease” means the Base Lease Agreement dated as of [May 1, 2024], between the County and the Corporation, as it may be amended or supplemented from time to time.

“Bond Insurer” means [BOND INSURER NAME] or any successor thereto, as issuer of the Policy.

“Bond Fund” means the fund of such name established pursuant to Section 5.5 of the Trust Agreement.

“Bond Proceeds” means the gross proceeds received from the issuance and sale of the Series 2024 Bonds.

“Completion Date” means the date on which the Corporation and the County provide the final requisition to the Trustee pursuant to Section 3.3(b) hereof.

“Corporation Facilities” means that portion of the Facilities (whether a complete Facilities Component or a Corporation Partial Facilities Component) allocated to the Corporation as the result of a partition under the provisions of Section 2.4 hereof.

“Costs Advanced” means the sum of all costs advanced by the County prior to the date hereof (1) in furtherance of the 2024 Project, (2) evidenced by paid invoices related to property, acquisition, construction expenses and architect and engineering expenses, and (3) properly chargeable to the capital account of the 2024 Project as certified by the County to the Trustee at the closing of the Series 2024 Bonds. Costs Advanced total \$[14,349,447.09].

“County Council” means the County Council of the County, as the governing body of the County, and any successor body.

“County Facilities” means that portion of the Facilities (whether a complete Facilities Component or a County Partial Facilities Component) allocated to the County as the result of a partition under the provisions of Section 2.4 hereof.

“Disclosure Undertaking” means an agreement to provide information in accordance with Rule 15c2-12, the form of which is attached hereto as Exhibit F.

“Environmental Laws” means all federal, State and local laws, rules, regulations, ordinances, programs, permits, guidance, orders and consent decrees relating to health, safety and environmental matters, including, but not limited to, the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, state and federal superfund and environmental cleanup programs and laws and U.S. Department of Transportation regulations.

“Event of Default” means the events set forth in Section 8.1 of this Purchase and Use Agreement.

“Event of Nonappropriation” means (i) the failure by the County, for any reason, to specifically budget and appropriate moneys for a Fiscal Year that may be lawfully used to pay amounts due hereunder for such Fiscal Year or (ii) the provision by a County Representative (as defined in the Trust Agreement) of written notice to the Corporation and the Trustee of the County’s intention to not appropriate funds that may be lawfully used to pay amounts due hereunder for a Fiscal Year. An Event of Nonappropriation will be deemed to occur on the earlier of the date on which the County gives notice to the Corporation and the Trustee under clause (ii) above or the July 15 following the commencement of a Fiscal Year in which a budget has been adopted which fails to appropriate amounts due hereunder for such Fiscal Year; provided, however, that an Event of Nonappropriation may be waived as provided for in Section 4.7 herein. Notwithstanding the foregoing, an Event of Nonappropriation shall be deemed not to have occurred if the County adopts an ordinance prior to June 1 of any Fiscal Year authorizing the issuance of bonds, notes or other obligations for the purpose of paying all Installment Payments due in the succeeding Fiscal Year, notice of which is delivered timely to the Trustee.

“Existing Facilities” has the meaning given such term in the Base Lease.

“Facilities” means the improvements currently existing and to be constructed on the 2024 Real Property (including the Existing Facilities and the 2024 Project and any other improvements currently existing or to exist on the 2024 Real Property (subject to Section 3.1(c) hereof)), including fixtures and any future additions, modifications, and substitutions to any facilities on the 2024 Real Property and any personal property located on the 2024 Real Property financed with the Series 2024 Bonds, as described in Exhibit B hereto.

“Facilities Component” means an entire building or other facility (including the main building or buildings) and any related auxiliary buildings comprising the Facilities. Each Facilities Component is described in Exhibit B hereto.

“Fiscal Year” means the fiscal year of the County, currently beginning on each July 1 and ending on the succeeding June 30.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies or terrorism; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials of any civil or military authority; insurrection; riots; landslides; earthquakes;

flood; fire; storms; droughts; explosion; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the party seeking the benefit of force majeure and not due to its own negligence.

“Hazardous Material” means and includes any pollutant, contaminant, or hazardous, toxic or dangerous waste, substance or material (including without limitation petroleum products, asbestos-containing materials and lead), the generation, handling, storage, transportation, disposal, treatment, release, discharge or emission of which is subject to any Environmental Law.

“Historic Courthouse Facilities” means that Facilities Component described at Exhibit B hereto.

“Holder” or **“Bondholder”** means the Person in whose name a Bond is registered on the Register.

“Installment Payments” means the payments to be paid by the County pursuant to Sections 4.1, 4.2 and 4.4 hereof.

“Net Proceeds” when used with respect to any proceeds from policies of insurance required hereby or any condemnation award, or proceeds from any liquidation of any part of the Facilities, means the amount remaining after deducting from the gross proceeds thereof all expenses, including, without limitation, reasonable attorney’s fees and costs, incurred in the collection of such proceeds or award.

“Outstanding” has the meaning given such term in the Trust Agreement.

“Partition Consultant” means a person, firm or corporation selected by the Trustee (at the direction of the Bond Insurer), who or which is experienced in public finance and in the valuation of public facilities and is not a full-time employee of the Trustee, the Bond Insurer, the County or the Corporation.

“Partition Date” has the meaning given such term in Section 2.4 hereof.

“Permitted Encumbrances” means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to the provisions of Sections 4.1 and 4.2, respectively, of this Purchase and Use Agreement; (ii) the other Security Documents; (iii) utility, access and other easements and rights-of-way, restrictions and exceptions which do not interfere with or impair the use of the 2024 Real Property or the Facilities, including rights or privileges in the nature of easements; (iv) any financing statements filed to provide notice of security interests pursuant to this Purchase and Use Agreement or the Trust Agreement; and (v) the matters described on Exhibit C hereto.

“Policy” means the municipal bond insurance policy issued by the Bond Insurer, relating to the Series 2024 Bonds.

“Project Fund” means the fund of such name established pursuant to Section 5.2 of the Trust Agreement.

“**Purchase Option Price**” means an amount equal to the amount required to defease or otherwise discharge the Series 2024 Bonds Outstanding under the Trust Agreement plus the amount of any Additional Payments which are due or accrued hereunder at the time which any purchase option hereunder is exercised.

“**Purchase Price**” means the sum of all Base Payments to be made hereunder which Purchase Price may be recalculated in the event of any prepayment of Base Payments provided for in Section 9.1 hereof.

“**Rule 15c2-12**” means Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“**Security Documents**” means this Purchase and Use Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Holders of the Series 2024 Bonds, provided all Security Documents, or copies thereof, must be filed with the Trustee.

“**Series 2024 Bonds**” means the \$[PAR] Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 of the Corporation, authorized by and secured under the Trust Agreement.

“**State**” means the State of South Carolina.

“**Waiver Period**” means the period of time commencing on the date an Event of Nonappropriation is deemed to occur and ending and including the date that is the 15th day prior to the first Bond Payment Date occurring in the fiscal year in which such Event of Nonappropriation occurs.

Section 1.2 Terms and Rules of Construction. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement unless the context clearly indicates to the contrary. 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, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document. Three asterisks mark the end of each article.

Section 1.3 County Representations, Warranties and Covenants. The County makes the following representations, warranties and covenants:

(a) The County is a political subdivision of the State and has full power and legal right to enter into this Purchase and Use Agreement and the Base Lease and to perform its obligations hereunder and thereunder. The County’s actions in making and performing its obligations under this Purchase and Use Agreement and the Base Lease have been duly authorized by all necessary governmental action and will not violate or conflict with any law or governmental rule or

regulation, or any mortgage, agreement, instrument, or other document by which the County or its properties are bound.

(b) The County is a political subdivision within the meaning of Section 103(c)(1) of the Code.

(c) The County will take such action as is necessary to ensure that the proceeds of the Series 2024 Bonds are applied solely to pay the costs of the 2024 Project and will take such action as is necessary to assure that the 2024 Project is completed. In the event the amounts available from the Bond Proceeds appear to be insufficient for such purpose, the County will use its best efforts to provide for the payment of such costs from Available Sources.

(d) No portion of the Facilities will be used in the trade or business of a person who is not a “political subdivision” within the meaning of Section 103(c)(1) of the Code, without the written approval of Bond Counsel or as may be described in the Tax Certificate.

(e) Except as disclosed in the Official Statement for the Series 2024 Bonds, there is no fact which will materially and adversely affect the properties, activities, operations, revenues, prospects or condition (financial or otherwise) of the County, its status as a political subdivision of the State within the meaning of Section 103(c)(1) of the Code, its ability to own and operate its property in the manner such property is currently operated or its ability to perform its obligations under this Purchase and Use Agreement and the Base Lease.

(f) Except as disclosed in the Official Statement for the Series 2024 Bonds, there are no proceedings pending or, to the knowledge of the County, threatened in writing against or affecting the County, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, operations, prospects or condition (financial or otherwise) of the County, or the corporate existence or powers or ability of the County to enter into and perform its obligations under this Purchase and Use Agreement and the Base Lease.

(g) The execution and delivery of this Purchase and Use Agreement and the Base Lease, and the consummation of the transactions provided for herein and therein, and compliance by the County with the provisions of this Purchase and Use Agreement and the Base Lease:

(i) are within the governmental powers and have been duly and validly authorized by all necessary governmental and other action on the part of the County; and

(ii) do not and will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, loan agreement or other agreement or instrument, or result in the creation or imposition of any lien, charge, or encumbrance upon any property or assets of the County (other than this Purchase and Use Agreement and the Base Lease) or any governmental restriction to which the County is a party or by which the County, its properties or operations may be bound or with the giving of notice or the passage of time or both would constitute such a breach or default or result in the creation or imposition of any such lien, charge or encumbrance, which breach, default, lien, charge or encumbrance could materially and adversely affect the validity or the enforceability of this Purchase and Use Agreement and the Base Lease

or the County's ability to perform fully its obligations under this Purchase and Use Agreement and the Base Lease; nor will such action result in any violation of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the County, its properties or operations are subject.

(h) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Purchase and Use Agreement, or the passage of time or giving of notice or both, would constitute an Event of Default. The County is not in violation in any material respect, and has not received notice of any claimed material violation (except such violations as do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the County with the terms hereof, or the other Security Documents), of any terms of any court order, statute, regulation, ordinance, agreement, or other instrument to which it is a party or by which it, its properties or its operations may be bound.

(i) This Purchase and Use Agreement is a legal, valid and binding obligation of the County, enforceable against the County in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity; anything herein to the contrary notwithstanding, this Purchase and Use Agreement is subject in its entirety to the right of the County to terminate this Purchase and Use Agreement and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Installment Payments, as provided in Sections 2.2, 4.6, and 4.7 hereof.

(j) The use and the operation of the 2024 Real Property and the Facilities in the manner contemplated will not conflict in any material respect with any zoning, water, or air pollution or other ordinance, order, law, rule, or regulation applicable to the 2024 Real Property and the Facilities including, without limitation, Environmental Laws. The County will operate or will cause the Facilities to be operated in compliance with the requirements of all such laws, ordinances, rules and regulations, including, without limitation, Environmental Laws. The County further covenants and agrees to comply in all material respects with and materially conform to, or use its reasonable efforts to cause other persons whose obligation it is to so comply by contract or pursuant to law to comply in all material respects with and materially conform to, all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and every applicable governmental authority, including Environmental Laws applicable to the 2024 Real Property and the Facilities, and all covenants, restrictions and conditions now or hereafter of record which may be applicable to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the 2024 Real Property and the Facilities, including building and zoning codes and ordinances (collectively, the "***Legal Requirements***"), provided that the County shall not be in default hereunder so long as the County promptly after receiving an actual written notice of any noncompliance, files a copy thereof with the Trustee and the County commences and uses its diligent efforts to cause compliance with such Legal Requirements, as long as the failure to comply and conform does not subject the 2024 Real Property or the Facilities to any material danger of being forfeited or lost as a result thereof. The County possesses or will possess, and the County hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the Facilities have been duly obtained and are in full force and effect except for any

such licenses, permits or other approvals that are not yet required and that will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the operation of the Facilities. The County covenants and agrees to do all things necessary to preserve and keep in full force and effect its franchises, rights, powers, and privileges as the same relate to the Facilities.

(k) The County has approved the formation of the Corporation and the issuance by the Corporation of the Series 2024 Bonds.

(l) The County has not terminated any lease, lease-purchase agreement, or installment purchase agreement by nonappropriation.

(m) The officer of the County charged with the responsibility for formulating budget proposals shall include in the budget proposals for review and consideration by the County Council in any Fiscal Year in which this Purchase and Use Agreement shall be in effect, provision for all Installment Payments required for such Fiscal Year under this Purchase and Use Agreement.

(n) To its knowledge, Hazardous Materials have not at any time been generated, used, treated, recycled, stored on, or transported to or from, or released, deposited, or disposed of on the portion of the 2024 Real Property owned by it on the date hereof other than in compliance at all times with all applicable Environmental Laws.

Section 1.4 Corporation Representations, Warranties, and Covenants. The Corporation makes the following representations, warranties, and covenants:

(a) The Corporation is a duly organized and validly existing nonprofit corporation created under the laws of the State, has the requisite power to carry on its present and proposed activities, and has full power, right, and authority to enter into this Purchase and Use Agreement, the Trust Agreement and the Base Lease and to perform each and all of the obligations of the Corporation provided herein and therein.

(b) The Corporation has taken or caused to be taken all requisite corporate action to authorize the execution and delivery of, and the performance of its obligations under, this Purchase and Use Agreement, the Base Lease, and the Trust Agreement.

(c) By proper corporate action, the officers of the Corporation have been duly authorized to execute and deliver this Purchase and Use Agreement, the Base Lease, and the Trust Agreement.

(d) The execution and delivery by the Corporation of this Purchase and Use Agreement, the Base Lease, and the Trust Agreement and the consummation by the Corporation of the transactions contemplated hereby and thereby have not and will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

(e) Each of this Purchase and Use Agreement, the Base Lease, and the Trust Agreement has been or will be duly executed and delivered by the Corporation and constitutes or will

constitute a legal and valid obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in the Official Statement for the Series 2024 Bonds, there is no litigation pending and served on the Corporation that challenges the Corporation's authority to execute, deliver, or perform its obligations under this Purchase and Use Agreement and the Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

(g) The Corporation is in material compliance with all applicable laws, regulations, and ordinances, including, but not limited to, those applicable to the Corporation's activities in connection with this Purchase and Use Agreement.

(h) The Corporation is a South Carolina nonprofit, public benefit corporation, no part of the net income of which inures to the benefit of any private individual or organization.

(i) To defray the costs of the 2024 Project, and for such other purposes contemplated hereby and by the Trust Agreement, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2024 Bonds payable from and secured by the Installment Payments under this Purchase and Use Agreement.

* * *

ARTICLE II

INSTALLMENT SALE OF FACILITIES; USE OF 2024 REAL PROPERTY AND FACILITIES AND TERM THEREOF

Section 2.1 Installment Sale of Facilities; Use of 2024 Real Property and Facilities; Term. The Corporation hereby agrees to sell the Facilities to the County in accordance with the provisions hereof. On the date hereof, the Corporation has a valid leasehold interest in the 2024 Real Property and holds fee title to the Facilities thereon.

Upon the payment of each payment of Base Payments from funds other than amounts constituting Bond Proceeds (including income from the investment of such amounts), title to an undivided interest in the Facilities equal to that percentage of the Purchase Price represented by such payment will transfer from the Corporation to the County without further action by either party hereto.

Any prepayment of Base Payments which is used to redeem any Series 2024 Bonds will result in a recalculation of the Purchase Price to take account of such prepayment and, upon the making of such prepayment, the County shall be credited with an undivided ownership interest in the Facilities equal to that percentage of the total Purchase Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date.

Subject to the provisions of Article VIII hereof, the County shall have the exclusive right to occupy and use the 2024 Real Property and the Facilities during the term hereof. Subject to the provisions of Sections 2.2 and 2.3 hereof, this Purchase and Use Agreement shall be for a term beginning with the date of execution and delivery hereof, and ending on [September 1, 2054].

During the term hereof, the County may permit use of portions of the 2024 Real Property and the Facilities subject to the following limitations: (i) the 2024 Real Property and the Facilities shall not be used in any manner that interferes with the use of such property by the County for the purposes for which it was designed or is then being used; (ii) any such agreement shall be voidable by the Trustee upon the occurrence of an Event of Default or an Event of Nonappropriation hereunder; and (iii) the County shall monitor all such use to ensure continued compliance with the provisions of the Tax Certificate, if any, relating to the Series 2024 Bonds and Section 5.3 hereof.

Section 2.2 Termination. The term of this Purchase and Use Agreement shall terminate upon the earliest of any of the following events:

- (a) the occurrence of an Event of Nonappropriation which is not thereafter duly waived or cured;
- (b) the purchase by the County of all of the Facilities as provided in Article IX of this Purchase and Use Agreement;
- (c) the occurrence of an Event of Default under and termination of this Purchase and Use Agreement by the Corporation or Trustee under Article VIII hereof; or

(d) the later of [September 1, 2054], which date constitutes the last day of the term hereof, or such date as all Installment Payments due hereunder shall be paid in full.

Termination of the term of this Purchase and Use Agreement shall terminate all obligations of the County under this Purchase and Use Agreement, including its obligations to pay future Installment Payments, and other amounts that have not been appropriated (excluding, however, amounts payable under Section 2.3 hereof and other amounts specifically provided for herein), subject to identification as provided in Section 2.4 hereof, shall terminate the County's rights of possession under this Purchase and Use Agreement of the Corporation Facilities (except to the extent of any conveyance pursuant to Article IX of this Purchase and Use Agreement); but all other provisions of this Purchase and Use Agreement, including all obligations of the Corporation with respect to the Holders of the Bonds and the receipt and disbursement of funds and all rights and remedies of the Corporation specifically provided herein, shall be continuing until the Trust Agreement is discharged as provided therein. Notwithstanding the foregoing, termination of the term of this Purchase and Use Agreement shall not impair the County's rights as landlord or the Corporation's rights as tenant under the Base Lease, except as provided in the Base Lease.

Section 2.3 Holdover Terms. In the event the County fails to deliver possession to the Corporation of the Corporation Facilities or any part thereof pursuant to Section 2.4 hereof, the County shall be unconditionally liable for the payment of all Installment Payments, including Additional Payments, for successive six month periods with each such period commencing on the Bond Payment Date following the last due date of Base Payments hereunder until the County delivers possession of the Corporation Facilities to the Corporation. The obligations of the County under this Section 2.3 shall not in any manner constitute a pledge of the full faith, credit, or taxing power of the County within the meaning of any State constitutional or statutory provision.

Section 2.4 Surrender of Possession Upon Termination; Partition of Undivided Interests. Upon (a) the occurrence of an Event of Default or an Event of Nonappropriation which results in termination hereof or (b) termination of all rights of the County hereunder, and at the written direction of the Trustee (with the prior written consent of the Bond Insurer), the County and the Corporation shall proceed to partition the Facilities so that the percentage of undivided interests in the title to the Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components in accordance with Exhibit E hereof and the following provisions. The date upon which the Trustee gives such written direction shall be the "***Partition Date.***"

Division of Facilities. Within a reasonable time after the Partition Date (but in no event longer than 60 days after the Partition Date), the County and the Corporation shall propose a division of Facilities or, in the event the County and the Corporation notify the Trustee and the Bond Insurer in writing that they are unable to agree on a proposed division or they have not proposed a division of the Facilities within the time period provided by the previous sentence, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall propose a division of the Facilities within a reasonable time after the Partition Date. In all events, Trustee (at the direction of the Bond Insurer) may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee (at the direction of the Bond Insurer) in the division of the Facilities. The Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall endeavor, to the extent practicable, to allocate the Facilities between

the County and the Corporation in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the County and the Corporation; and (2) if portions of the Facilities and Facilities Components will be assigned to each of the Corporation and the County, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall propose such partition as will, in the aggregate, best protect the interests of the Holders (subject to the provisions of this Section 2.4); and (3) the deletion, reduction or release (without exchange or substitution) of any Released Facility pursuant to Section 5.1(c) hereof or pursuant to the last two paragraphs of Section 3.6 of the Base Lease shall be taken into account for purposes of determining the portions of the Facilities to be allocated between the Corporation and the County.

Valuation of Facilities Components and Facilities. For purposes of any partition, the Facilities will be valued based on insured values at the time of partition, although the percentage of the Facilities being purchased on an annual basis through Installment Payments, and credited to the County as Costs Advanced, is set forth on Exhibit E hereof. In allocating the Facilities to the percentage of undivided interests in the entire Facilities to be conveyed to the County or retained by the Corporation, such insured values (at time of petition) and percentages set forth on Exhibit E hereof shall be used rather than the current market or other valuation of Facilities Components associated therewith.

Partial Divisions. In the event that the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, are unable to devise a partition that results in complete Facilities Components being assigned to the County or the Corporation, then such partition shall be made so as to provide the County's and the Corporation's respective interests to be allocated to Facilities Components in a manner consistent with other provisions of this Section 2.4. The portion of a Facilities Component which is property allocated to the County but is not a complete Facilities Component shall be designated as a "**County Partial Facilities Component**." With respect to a County Partial Facilities Component, the County may (i) continue to occupy the entire Facilities Component which includes a County Partial Facilities Component if it agrees to make payments (as specified in Section 2.3) in amounts to be determined by the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, as the proper charge for use of the Corporation's interest in such Facilities Component (the "**Corporation Partial Facilities Component**"); (ii) purchase the Corporation's interest in such Corporation Partial Facilities Component by the payment of the amount determined by the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected; or (iii) cede occupancy rights in the County Partial Facilities Component to the Corporation for the duration of the term of the Base Lease. In determining the purchase price if the County elects to purchase the Corporation's interest in a Corporation Partial Facilities Component, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall determine the prepayment amount that would be required under the second paragraph of Section 2.1 to result in a complete allocation of such Facilities Component to the County. In setting the payments to be made by the County if it chooses to continue to occupy the entire Facilities Component, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall set a payment that is not less than the amount of total Base Payments allocable to such Facilities Component that would have been payable from and after the Partition Date if this Purchase and Use Agreement or the rights of the County hereunder had not been terminated.

Partition Report; Finality. The Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall make a report regarding the division of the Facilities as soon as practicable after the Partition Date. In the discretion of the Trustee (at the direction of the Bond Insurer) the partition report shall be final and binding upon all parties.

Instruments of Conveyance. Within a reasonable time (but in no event sooner than 30 days or later than 60 days) after the partition report becomes final, the County and the Corporation shall exchange deeds or other instruments vesting title to such of the Facilities as is required to effect such partition; provided, however, that any conveyance deed or other instrument made by the Corporation shall be made in the manner and subject to the conditions set forth in Section 9.2 hereof. Immediately thereafter, the County shall deliver up or cause to be delivered up peaceable possession of the Corporation Facilities to the Corporation, together with the related portion of the 2024 Real Property, without delay, in good repair and operating condition, excepting reasonable wear and tear; provided, however, that in the event of a partial division, the terms relating to County Partial Facilities Components described above shall control. Any Facilities Component retained by the Corporation in connection with such partition shall remain, at all times, subject to the terms of the Base Lease.

* * *

ARTICLE III

USE AND DISBURSEMENT OF PROCEEDS

Section 3.1 Issuance of Series 2024 Bonds; Construction of 2024 Project. (a) Upon the issuance of the Series 2024 Bonds, the Trustee will deposit the proceeds of the Series 2024 Bonds into the Project Fund and the Cost of Issuance Fund, in the amounts specified in Section 5.1 of the Trust Agreement, to be used (i) to defray the cost of the 2024 Project, (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds, including any premium due on any municipal bond insurance policy.

(b) The Corporation and the County agree and acknowledge that the County, as agent for the Corporation, will be responsible for obtaining any and all contracts and agreements necessary or appropriate in connection with the 2024 Project and the County shall be the agent of the Corporation for all such purposes.

(c) The County may install machinery, equipment, and other tangible personal property in the Facilities and on the 2024 Real Property and all such machinery, equipment and other tangible personal property not acquired or financed with the proceeds of the Bond Proceeds will remain the sole property of the County.

Section 3.2 Notices and Permits. The Corporation shall cooperate with the County in order to give or cause to be given all notices and shall comply or cause compliance with all laws, ordinances, municipal rules and regulations and requirements of public authorities applying to or affecting the conduct of any work relating to the 2024 Project. To the extent permitted by law, the County will defend and save the Corporation, the Trustee and their respective members, directors, officers, agents, and employees harmless from all liabilities, damages, or fines due to failure to comply therewith.

Section 3.3 Disbursements from the Project Fund and the Cost of Issuance Fund. (a) The Bond Proceeds, net of any underwriter's discount, shall be applied to make the deposits set forth at Section 5.1 of the Trust Agreement into (i) the Project Fund, (ii) the 2024 Capitalized Interest Sub-Account, and (iii) the Cost of Issuance Fund. As provided in Section 5.1 of the Trust Agreement, disbursements from the Cost of Issuance Fund (as described in Section 5.2 of the Trust Agreement) shall be made to provide for payment of the costs of issuance of the Series 2024 Bonds, and disbursements from the Project Fund shall be made to defray the costs of the 2024 Project.

(b) As provided in Section 5.3(b) of the Trust Agreement, the final requisition from the Project Fund shall contain, among other things, a certification by the Corporation and the County stating that the 2024 Project has been substantially completed in accordance with the terms and conditions of this Purchase and Use Agreement and compliance in all material respects with all applicable governmental regulations. As used in this paragraph, "substantial completion" of the 2024 Project shall mean completion such that the equipment and improvements undertaken in connection therewith are in working condition notwithstanding the fact that certain minor items of work remain to be done.

(c) Upon receipt of the final requisition with respect to the 2024 Project, the Trustee shall apply any balance then remaining in the Project Fund in the manner provided in Section 5.4 of the Trust Agreement.

* * *

ARTICLE IV

INSTALLMENT PAYMENTS; ASSIGNMENT TO TRUSTEE

Section 4.1 Installment Payments.

(a) *Installment Payments to Constitute a Current Expense of the County.* The Corporation and the County understand and intend that the obligation of the County to pay Installment Payments hereunder shall constitute a current expense of the County which is dependent upon lawful appropriations of funds being made by the County Council from Available Sources to pay Installment Payments due in each Fiscal Year hereunder, and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the Available Sources, general tax revenues, funds, moneys, or credit of the County.

It is understood and agreed that Costs Advanced by the County in furtherance of the 2024 Project prior to the date hereof in the amount of [\$14,349,447.09] shall result in a proportionate percentage ownership interest in the 2024 Project as reflected in Exhibit E hereto.

(b) *Payment of Base Payments.* Subject to an Event of Nonappropriation as described in Section 4.7 hereof, on or before the 15th day of the month prior to each Bond Payment Date during the period this Purchase and Use Agreement is in effect, the County shall pay to the Trustee, as assignee of the Corporation, the Base Payments (exclusively from Available Sources specifically budgeted and appropriated for such purpose in lawful money of the United States of America), which payments shall be made to the Trustee as assignee of this Purchase and Use Agreement, in the amounts set forth on Exhibit D hereto; provided, that nothing herein shall constitute a pledge of the Available Sources, general tax revenues, funds, moneys, or credit of the County, and payments on account thereof, if and when received by the Trustee, shall satisfy the County's obligation to make any Base Payment then due and shall constitute such Base Payment to the extent received. Each payment of the Base Payments shall be in consideration for the conveyance of title to an undivided ownership interest in the Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of the Base Payments, the County shall be entitled to the use and occupancy of all of the 2024 Real Property and the Facilities during the applicable Fiscal Year in which such payments are or will be made.

(c) *Payment of Additional Payments.* The County agrees to pay, subject to the provisions of Section 4.7 hereof, the following amounts as Additional Payments together with such other sums as are provided for herein:

(i) The amounts provided for in Sections 4.2 and 4.4 hereof to the parties referred to therein;

(ii) Any amounts due upon receipt of written notice from the Trustee pursuant to Section 5.5(e) of the Trust Agreement;

(iii) Within the period of time specified in Sections 5.5(e) and 5.7(i) of the Trust Agreement, the amount of moneys necessary to re-establish a subaccount of the Reserve Account at the applicable Reserve Requirement (as such term is defined in the Trust Agreement) as may be required pursuant to said Sections 5.5(e) and 5.7(i) of the Trust Agreement;

(iv) All reasonable costs and expenses incurred or to be paid by the Corporation or the Trustee, as the case may be, under the terms of this Purchase and Use Agreement or the Trust Agreement, including, without limitation, the amounts specified in Section 4.4 hereof and amounts payable by the Corporation pursuant to or contemplated by repurchase, forward delivery, or other investment agreements which are Permitted Investments under the Trust Agreement;

(v) Amounts required to pay premiums on insurance for the 2024 Real Property or the Facilities if such amounts are not paid directly by the County to the applicable insurer; and

(vi) Amounts owed to the Bond Insurer as provided for in the Trust Agreement.

The Corporation may, but shall be under no obligation to, advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2024 Real Property and the Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2024 Real Property and the Facilities, (iii) to obtain and maintain insurance for the 2024 Real Property and the Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the County fails to do so as required by this Purchase and Use Agreement or the Base Lease. As provided in Section 6.11 of the Trust Agreement, the Trustee may take any such action. Any such advances shall continue to be due as Additional Payments hereunder.

(d) *Credits.* The County shall be entitled to a credit against payments of Base Payments in the amount of any deposits in the Bond Fund provided for in the Trust Agreement. In addition to the credit provided in the preceding sentence, the amount payable by the County as Base Payments will be reduced by the amount of money in the applicable subaccount of the Acquisition Account (as defined in the Trust Agreement) to be credited against those payments, including without limitation accrued interest on the Series 2024 Bonds to the extent such amounts will be used to make payments on the Series 2024 Bonds. In this connection, if applicable, when amounts remaining in a subaccount of the Reserve Account equal or exceed the remainder of the applicable Base Payments due, such amounts shall be transferred to the applicable subaccount of the Acquisition Account as and when needed for payment of such Base Payments.

(e) *Continuation of Term by County.* The County has no reason to believe, as of the date hereof, that it will not continue making Installment Payments through the entire term of this Purchase and Use Agreement, and reasonably believes that it will pay the Installment Payments due or coming due hereunder in order to continue to use the Facilities. The County presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due; provided, however, that the County makes no representation or warranty as to its ability to issue general obligation debt in the future. The County shall deliver notice to the Trustee within

five days of receipt of a petition conforming to Section 4-9-1220 or Section 11-27-40(8) of the South Carolina Code requesting repeal of an ordinance authorizing general obligation debt.

All representations and covenants contained in this Purchase and Use Agreement are subject to the ability of the County to terminate this Purchase and Use Agreement and all obligations hereunder as provided in Section 4.7 hereof.

Section 4.2 Installment Payments Not Subject to Reduction, Offset or Other Credits. (a) The County and the Corporation intend that this Purchase and Use Agreement shall yield, net, the Base Payments specified in Section 4.1 hereof during the term of this Purchase and Use Agreement, and that all costs, expenses, liabilities and obligations of any kind and nature whatsoever including, without limitation, any ad valorem taxes or other taxes levied against holders of real or personal property, insurance premiums, utility charges and assessments and all operation, maintenance, repair, and upkeep expenses relating to the 2024 Real Property and the Facilities and the use of the 2024 Real Property and the Facilities which do not constitute Base Payments, or other obligations relating to the 2024 Real Property and the Facilities which may arise or become due during the term of this Purchase and Use Agreement and which the Corporation except for this Purchase and Use Agreement or the terms of the Base Lease would ordinarily be required to pay as owner of the 2024 Real Property and the Facilities (regardless of whether the County as owner would be so required to pay) shall either be paid under the provisions of the Base Lease or be included in the Installment Payments and paid by the County as Additional Payments under this paragraph (a). The County acknowledges that, under the provisions of the Base Lease, it has retained responsibility for the payment of taxes and insurance on the 2024 Real Property and the Facilities and the property associated therewith and the obligations of the County under the Base Lease are not subject to the limitations of Section 4.6 hereof.

(b) All payments of Additional Payments referred to in Section 4.2(a) above shall be made by the County in immediately available funds on a timely basis directly to the person or entity to which such payments are owed; provided, however, subject to the terms hereof and the other Security Documents, the County shall not be required to pay, discharge or remove any tax, lien, or assessment, or any mechanic's, laborer's or materialman's lien or encumbrance, or any other imposition or charge against the 2024 Real Property and the Facilities or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the County shall, after prior written notice to the Corporation and the Trustee, at the County's expense, contest the same or the validity thereof in good faith, by action or inaction which shall operate to prevent (i) the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and (ii) the sale of the Facilities or any part thereof to satisfy the same or to enforce such compliance; provided further, that the County shall have given reasonable security as may be demanded by the Corporation, the Trustee, or both, to insure such payment and prevent any sale or forfeiture of the Facilities or any part thereof by reason of such nonpayment or noncompliance.

Section 4.3. Prepayment of Installment Payments. The County may prepay Installment Payments in whole or in part as provided in, and under the conditions prescribed under, Sections 7.2 and 9.1 hereof, or at any time that the County so determines for the purpose of providing for the redemption of Series 2024 Bonds as provided in Section 4.1 of the Trust Agreement. The County shall notify the Trustee in writing of the dates on which the Series 2024

Bonds corresponding to any prepayment hereunder are to be redeemed or purchased (as applicable) and the amount to be so redeemed or purchased on each such date, all in accordance with the provisions of the Trust Agreement. The Trustee may request such reasonable information and reports as may be necessary to establish the sufficiency of the payments to be made at the time of such prepayment or purchase, respectively.

Section 4.4 Administrative Expenses. Subject to the provisions of Section 4.7 hereof, the County shall pay as Additional Payments (i) the periodic fees and expenses from time to time of the Trustee and any Paying Agent incurred in administering the Trust Agreement and the Series 2024 Bonds, and (ii) any expenses, including, but not limited to, fees for legal, financial and accounting services and costs of directors and officers insurance incurred by the Corporation or the Trustee to compel full and punctual performance of this Purchase and Use Agreement in accordance with the terms hereof.

Section 4.5 Assignment of Purchase and Use Agreement, Manner of Payment. As security for and the source of payment of the Series 2024 Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Purchase and Use Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4, and 5.5 hereof and to receive notices thereunder. The County consents and agrees to the assignment of this Purchase and Use Agreement as provided herein. The County covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Purchase and Use Agreement, and to make all payments required by the County under this Purchase and Use Agreement (other than payment for indemnity and fees and expenses of the Corporation) directly to the Trustee, all without set-off, defense or counterclaim by reason of any dispute which the County may have with the Corporation or the Trustee.

Section 4.6 Limited and Special Obligation of County. Upon the occurrence of an Event of Nonappropriation, this Purchase and Use Agreement may be terminated as of the end of the last Fiscal Year which is not affected by such Event of Nonappropriation, and the County shall not be obligated to pay the Installment Payments provided for in this Purchase and Use Agreement beyond the end of such Fiscal Year (except as otherwise provided herein). If this Purchase and Use Agreement is terminated under this Section 4.6 or as provided in Section 4.7 or Section 2.2, the County agrees to peaceful delivery of that portion of the Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

The obligations of the County to make Installment Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Purchase and Use Agreement. Notwithstanding any dispute involving the County and any of the Corporation, any contractor, subcontractor, or supplier of materials or labor, or any other person, the County shall make all Installment Payments when due and shall not withhold any Installment Payments pending final resolution of such dispute, nor shall the County assert any defense or right of set-off, recoupment, or counterclaim against its obligation to make such payments required under this Purchase and Use Agreement.

The County's obligation to make Installment Payments during the term of this Purchase and Use Agreement shall not be abated through accident or unforeseen circumstances. The County agrees not to suspend, reduce, abrogate, diminish, postpone, modify, discontinue, withhold, or abate any portion of the payments required pursuant to this Purchase and Use Agreement by reason of any defects, malfunctions, breakdowns, or infirmities of the 2024 Real Property or the Facilities, failure of the Corporation to complete the acquisition, construction, installation, or equipping of the 2024 Project, failure of the County to occupy or to use the Facilities as contemplated in this Purchase and Use Agreement or otherwise, any change or delay in the time of availability of the 2024 Real Property or the Facilities, any acts or circumstances which may impair or preclude the use or possession of the 2024 Real Property or the Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the 2024 Real Property or the Facilities or in the suitability of the 2024 Real Property or the Facilities for the County's purposes or needs, failure of consideration, the invalidity of any provision of this Purchase and Use Agreement, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the 2024 Real Property or the Facilities, the taking by eminent domain of title to or the use of all or any part of the 2024 Real Property or the Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Purchase and Use Agreement.

Nothing contained in this section shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained. In the event the Corporation should fail to perform any such agreement on its part, the County may institute such action against the Corporation as the County may deem necessary to compel performance so long as such action does not abrogate the County's obligations under this Purchase and Use Agreement. The County may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the County deems reasonably necessary in order to secure or protect its right of possession, occupancy, and use under this Purchase and Use Agreement, and in such event the Corporation hereby agrees to cooperate fully with the County and to take all action necessary to effect the substitution of the County for the Corporation in any such action or proceeding if the County shall so request. It is the intention of the parties that the payments required by this Purchase and Use Agreement will be paid in full when due without any delay or diminution whatsoever, subject only to the special and limited nature of the County's obligation to pay Installment Payments hereunder as set forth above.

The obligations of the County under this Purchase and Use Agreement shall not constitute a pledge of the full faith, credit, or taxing power of the County within the meaning of any State constitutional or statutory provision.

Section 4.7 Event of Nonappropriation. Upon the occurrence of an Event of Nonappropriation, the following provisions shall apply:

(a) If written notice is given by a County Representative to the Corporation and the Trustee that it will not appropriate funds from any Available Source in the next succeeding Fiscal Year for payment of Installment Payments or if an Event of Nonappropriation is otherwise deemed

to have occurred, the Trustee shall as soon as practicable give written notice to the County and the Corporation stating that an Event of Nonappropriation has occurred; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(b) Subject to Article VIII hereof and the provisions of subsections (c) and (d) of this Section 4.7, this Purchase and Use Agreement will be terminated pursuant to Section 2.2.

(c) Subject to Article VIII hereof and the provisions of subsection (d) of this Section 4.7, the Trustee shall waive any Event of Nonappropriation if (i) such Event of Nonappropriation is cured by the County before the Waiver Period has expired, or (ii) the Trustee, acting upon the direction of the Holders of the majority in aggregate principal amount of the Bonds then Outstanding, elects to waive such Event of Nonappropriation for any reason.

(d) Subject to Article VIII hereof and notwithstanding the provisions of subsection (c) of this Section 4.7, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (i) of the definition thereof) which is cured by (i) the County's specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Installment Payments coming due hereunder for such Fiscal Year that may be lawfully used to make such payment, or (ii) the issuance of bonds, notes or other obligations prior to the expiration of the Waiver Period, and the appropriation of the proceeds thereof, for the purpose of, and providing sufficient funds for, refunding, refinancing and discharging all Series 2024 Bonds then Outstanding.

If an Event of Nonappropriation occurs and is not waived, the County shall not be deemed to be in default under this Purchase and Use Agreement and shall not be obligated to make payment of any future Installment Payments due hereunder or any other payments provided for herein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation; provided, the County shall continue to be liable for Installment Payments pursuant to Section 2.3 hereof.

The County, in all events, shall cooperate with the Corporation and the Trustee in making the partition required under Section 2.4 hereof and shall vacate and deliver over to the Trustee the Corporation Facilities no later than 60 days after the partition report becomes final in accordance with Section 2.4 hereof.

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in all funds created under the Trust Agreement for the benefit of the Holders of the Series 2024 Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such Event of Nonappropriation occurs by notice, or the July 16 following (i) the July 15 on which the County fails to specifically budget and appropriate sufficient moneys to pay the Installment Payments due hereunder, or (ii) the June 1 on which the County fails to enact an ordinance authorizing the issuance of general obligation bonds for the purpose of paying the Installment Payments due hereunder, the Trustee shall, or may, as the case may be, proceed to exercise its remedies, liquidate its interest in this Purchase and Use Agreement or lease the Corporation Facilities (after the partition and delivery thereof pursuant to Section 2.4

hereof) as provided in Section 8.2 hereof after such dates as follows: (a) on July 2 of a Fiscal Year in the event that a County Representative has provided written notice to the Corporation and the Trustee of the County's intention to not appropriate funds that may be lawfully used to pay Installment Payments due hereunder in such Fiscal Year, or (b) on July 16 of a Fiscal Year in the event that (i) the County fails by the next preceding day to specifically budget and appropriate sufficient moneys that may be lawfully used to pay Installment Payments due hereunder in such Fiscal Year, or (ii) the County did not by the preceding June 1 enact an ordinance authorizing the issuance of general obligation bonds for the purpose of and in principal amount sufficient to pay Installment Payments due hereunder in such succeeding Fiscal Year. All property, funds and rights acquired by the Trustee by reason of an Event of Nonappropriation as provided herein, less any moneys due and owing to the Trustee for services performed as Trustee, shall be held by the Trustee for the benefit of the Holders of the Bonds as set forth in the Trust Agreement.

Notwithstanding anything in this Purchase and Use Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee, and all other amounts which are payable hereunder, in excess of the principal amount of the Outstanding Series 2024 Bonds at the time of the Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the County by the Trustee, its assigns or its lessee.

* * *

ARTICLE V

COVENANTS OF THE COUNTY

Section 5.1 Maintenance and Operation of 2024 Real Property and Facilities; Transfers. (a) Subject to Sections 4.6 and 4.7 herein, the County covenants and represents that during the term of this Purchase and Use Agreement, it shall, at its own cost or expense, use and maintain the 2024 Real Property and the Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, and maintain, preserve and keep the 2024 Real Property and the Facilities in good repair, working order and condition, and that it shall from time to time make or cause to be made all necessary and proper repairs and renewals so that at all times the operation of the Facilities may be properly and advantageously conducted. This covenant shall not prevent the County from discontinuing operation of the Facilities at any time.

(b) Except as otherwise provided in this Section 5.1 and in Section 2.1 hereof and the Base Lease, prior to payment of the Series 2024 Bonds in full, the County shall not sell, transfer, lease, sublease, or otherwise dispose of all or any portion of the 2024 Real Property and the Facilities, or its interests under this Purchase and Use Agreement, except to another political subdivision of the State, which assumes in writing all obligations of the County under this Purchase and Use Agreement and shall enter into no such transaction without the written consent of the Trustee and the Bond Insurer.

(c) Notwithstanding any other provision hereof to the contrary, the County may provide for the exchange of any asset comprising the Facilities, including the portion of the 2024 Real Property related thereto (the “*Released Facility*”), for another County facility and the real estate on which such facility (the “*Exchange Facility*”) is located, or the deletion or modification of any Released Facility from the definition of Facilities hereunder, if:

(i) the County provides the Trustee evidence (including but not limited to an appraisal, certificate of insurance or otherwise) of the respective insured values of the Released Facility and the Exchange Facility, if applicable;

(ii) the County certifies to the Trustee that, as applicable, (A) the exchange, deletion or modification is necessary or desirable to the County and the reasons therefor (including but not limited to facilitating the sale or other disposition of the Released Facility, conversion of its use to a different purpose, or otherwise), (B) after taking into account the deletion, modification or exchange of the Released Facility, the insured value of the Facilities owned by or allocated to the Corporation shall be in excess of 100% of the outstanding principal amount of the Bonds, (C) the proposed Exchange Facility (if any) has a value equal to or greater than the proposed Released Facility, and (D) the Exchange Facility (if any) is necessary or desirable to the operations of the County and the remaining useful life of such Exchange Facility is not less than the remaining useful life of the Released Facility;

(iii) the Trustee receives an opinion of Bond Counsel to the effect that the proposed exchange, deletion or modification will not adversely affect the federal income tax treatment of interest paid to the Holders of the Series 2024 Bonds; and

(iv) the Bond Insurer consents in writing thereto.

The Corporation and/or the County hereby agrees to provide prompt notice of an exchange of an Exchange Facility for a Released Facility hereunder or the deletion or modification of a Released Facility permitted hereby, to [RATING AGENCY], if then rating the Bonds.

Section 5.2 Liens on 2024 Real Property and the Facilities. The County shall not create, incur, or suffer to exist any lien, charge, or encumbrance on the 2024 Real Property or the Facilities or its rights under this Purchase and Use Agreement other than any Permitted Encumbrance.

Section 5.3 Representations and Covenants Regarding Tax-Exempt Status of Series 2024 Bonds. (a) Neither the Corporation nor the County shall take any action (including but not limited to any use of the 2024 Real Property or the Facilities) or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Purchase and Use Agreement would cause the interest paid on the Series 2024 Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(b) The County covenants to the Corporation, the Trustee and the Holders of the Series 2024 Bonds that, notwithstanding any other provision of this Purchase and Use Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of the proceeds of the Series 2024 Bonds or amounts on deposit in any of the funds or accounts held under the Trust Agreement or under any other document related to the Series 2024 Bonds which would cause the Series 2024 Bonds to be an “arbitrage bond” under Section 148 of the Code and the regulations thereunder, and that it will comply with the requirements of such Section and regulations throughout the term of the Series 2024 Bonds.

(c) The County shall take all actions necessary on its part to enable compliance with the rebate provisions of Section 148(f) of the Code in order to preserve the federal income tax status of payments of interest with respect to any Series 2024 Bonds. The County shall ensure that the Corporation retains a consultant experienced in the calculation and determination of rebate payments and liability under Section 148(f) of the Code to provide the reports required under any Tax Certificate.

(d) The County will accept title to the Facilities upon the discharge of the Series 2024 Bonds.

Section 5.4 Reports and Opinions; Inspections. (a) The County shall permit the Corporation, the Trustee and the Bond Insurer to examine, visit and inspect, at any reasonable time, the 2024 Real Property and the Facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, to discuss its affairs, finances and accounts with the Bond Insurer, if applicable,

and to supply such reports and information as the Trustee or the Bond Insurer, if applicable, may reasonably request.

(b) The Corporation shall give the Trustee prompt notice of any failure of the County to make the payments required to be made pursuant to Section 4.1(b) when due.

Section 5.5 Immunity of Corporation and Trustee. In the exercise of the powers of the Corporation and the Trustee and their members, directors, officers, employees and agents under the Trust Agreement or this Purchase and Use Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Corporation nor the Trustee shall be accountable to the County for any action taken or omitted with respect to the Facilities or this Purchase and Use Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Purchase and Use Agreement. The Corporation and the Trustee and their members, officers, employees, and agents shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the County for any claims based on the Trust Agreement or this Purchase and Use Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person.

Section 5.6 Compliance with Laws. With respect to the 2024 Real Property and the Facilities and any additions, alterations, or improvements thereto, the County will at all times comply with all applicable requirements of federal and state laws and with all applicable lawful requirements of any agency, board, or commission created under the laws of the State or of any other duly constituted public authority; provided, however, that the County shall be deemed in compliance with this Section 5.6 so long as it is contesting in good faith any such requirement by appropriate legal proceedings.

Section 5.7 Insurance and Condemnation Proceeds. The County shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the 2024 Real Property or the Facilities in excess of \$250,000 without the prior written consent of the Trustee except as may be required by the terms hereof or of the other Security Documents or of any Permitted Encumbrances existing on the date hereof.

Section 5.8 Filing of Budget with Trustee. During the term of this Purchase and Use Agreement, the County shall file with the Trustee, within 15 days after the beginning of each Fiscal Year, a copy of the annual budget of the County for that Fiscal Year, together with a certificate of a County Representative stating that such budget provides for payment of all Installment Payments due in such Fiscal Year.

Section 5.9 Alterations of the 2024 Real Property and the Facilities; Removals. The County, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the Facilities as it may deem to be desirable; provided, that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the use and operations of, the 2024 Real Property and the Facilities. In

this connection, the County (i) may remove any items of personal property constituting a part of the Facilities financed by a source of funds other than the proceeds of the Series 2024 Bonds, and (ii) may, for any reason, replace any items of personal property constituting a part of the Facilities financed or refinanced with the proceeds of the Series 2024 Bonds, provided that any such removal or replacement of any personal property shall not materially diminish the value of the Facilities or materially impair the operation thereof. In the case of any removal as provided above or any removal of County property not constituting Facilities, the County shall repair any damage resulting from such removal.

Section 5.10 Continuing Disclosure. The County agrees to provide the information required by Rule 15c2-12 as an Obligated Person (as defined in Rule 15c2-12) in compliance with the provisions of the Disclosure Undertaking attached hereto as Exhibit F, if applicable. If the County is obligated to comply with a Disclosure Undertaking, then in the event of a failure by the County or any dissemination agent appointed thereby to comply with any provisions of the Disclosure Undertaking, the rights of the Holders of the Series 2024 Bonds to enforce the provisions of the Disclosure Undertaking shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties' obligations under the Disclosure Undertaking.

Any failure by a party to perform in accordance with the Disclosure Undertaking shall not constitute a default under this Purchase and Use Agreement or on the Series 2024 Bonds or under any other document relating to the Series 2024 Bonds, and all rights and remedies shall be limited to those expressly stated in the Disclosure Undertaking.

Section 5.11 Covenants for Benefit of the Bond Insurer. (a) So long as there shall be Series 2024 Bonds Outstanding and no Insurer Default (as defined in the Trust Agreement) has occurred and is continuing, the County has covenanted, notwithstanding anything in this Purchase and Use Agreement to the contrary, to provide the Bond Insurer with all notices and other information it is obligated to provide (1) under the Disclosure Undertaking executed in connection with the Series 2024 Bonds and (2) to the holders of Series 2024 Bonds or the Trustee under the Security Documents; provided, however, the County shall be deemed in compliance with the foregoing reporting obligations if such information is filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or other information repository approved by the U.S. Securities and Exchange Commission.

(b) The County shall provide the Bond Insurer with notice of the commencement of any proceeding by or against the County commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

(c) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(d) The County will permit the Bond Insurer to discuss the affairs, finances and accounts of County or any information the Bond Insurer may reasonably request regarding the security for the Series 2024 Bonds with appropriate officers of the County and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the County on any Business Day upon reasonable prior notice.

(e) Subject to the provisions of Section 12.1 of the Trust Agreement, the provisions of this Purchase and Use Agreement (1) that require that consultation with the Bond Insurer or the consent or approval of the Bond Insurer be obtained as a pre-condition to another party taking a certain action or (2) which grant special rights, powers or obligations to the Bond Insurer shall be in effect for so long as the Policy is in effect and no Insurer Default (as defined in the Trust Agreement) has occurred and is continuing.

(f) The Bond Insurer shall be a third-party beneficiary hereof.

* * *

ARTICLE VI

INSURANCE

Section 6.1 Types of Insurance and Coverage Requirements. (a) The County shall, commencing with the date that any items of personal property comprising the Facilities are delivered, or in the event that progress payments are to be made to the manufacturer thereof prior to the date of such delivery, commencing with the date of this Purchase and Use Agreement, and upon completion of any construction, reconstruction, renovation or remodeling incidental to the completion and installation of the Facilities, on all such improvements to the 2024 Real Property and the Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the 2024 Real Property and the Facilities, with such deductible provisions as are consistent with similar insurance obtained by the County for other property owned by it. Such insurance shall (1) name the Corporation and the Trustee as loss payees, as their interests may appear, be maintained for the term of this Purchase and Use Agreement and (2) each policy shall be in an amount equal to the replacement value of the Facilities.

(b) The County shall, to the extent required by law or good business practice, maintain for the term of this Purchase and Use Agreement, general liability insurance, worker's compensation insurance, disability insurance, and any other form of insurance, covering loss resulting from injury, sickness, disability or death of employees in amounts consistent with those carried by institutions of similar size and nature.

(c) The County shall maintain, for the term of this Purchase and Use Agreement, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage to the property of others caused by accident or occurrence (including contractual liability endorsement), with limits of not less than \$1,000,000 per occurrence and not less than \$1,000,000 in the aggregate for claims made in any one year on account of injury of any one person, and \$1,000,000 for property damage per occurrence with an aggregate property damage limitation of not less than \$1,000,000, excluding liability imposed upon the County by any applicable worker's compensation law. Such insurance shall name the Corporation and the Trustee as additional insureds or loss payees, as their interests may appear, to the extent practicable.

(d) All policies of insurance required hereunder shall be written by the South Carolina Insurance Reserve Fund or any governmental or quasi-governmental entity that provides insurance coverage for political subdivisions (or any of their successors) or companies rated not lower than "A" by A. M. Best Company or in one of the two highest rating categories by S&P Global Ratings or Moody's Investors Service, in each case qualified to do business in the State and each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. The County may provide any part or all of the insurance required hereby under the terms of a policy insuring other facilities or risks or any "blanket" policy. The County covenants that it will take all action, or cause the same to be taken, which may be necessary to enable recovery under the aforesaid insurance policies.

(e) All policies of insurance required hereby shall be open to inspection by the Corporation, the Trustee, and the Bond Insurer at all reasonable times. Certificates of insurance

describing such policies shall be furnished by the County to the Corporation and the Trustee when such policies are required to be obtained by this Section 6.1 and at least ten days prior to the expiration of each of such policies. The County shall certify that it is in compliance with the provisions hereof at or prior to the execution and delivery of this Purchase and Use Agreement. If any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be furnished immediately to the Corporation, the Trustee, and the Bond Insurer by the County or it shall cause the same to be so furnished. In the event that the County fails to maintain any insurance as provided in this Section, the Trustee may, upon such notice to the County as is reasonable under the circumstances, procure and maintain such insurance at the expense of the County (reimbursable as provided hereinbefore), but the Trustee shall not be under an obligation to do so.

Section 6.2 Self-Insurance Approval. If, at the time of execution of this Purchase and Use Agreement, the County self-insures or at any time hereafter desires to self-insure to the extent permitted by law, the entry into such self-insurance program shall require the written approval of the Corporation and the Bond Insurer.

* * *

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 7.1 Damage, Destruction and Condemnation. If, during the term of this Purchase and Use Agreement, (i) the Facilities, or any portion thereof, shall be destroyed (in whole or in part), or be damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the 2024 Real Property, the Facilities or any portion thereof or the estate of the County or the Corporation in the 2024 Real Property, the Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or (iii) a material defect in construction or installation of the Facilities, or any portion thereof, shall become apparent, or (iv) title to or the use of all or any portion of the 2024 Real Property or the Facilities shall be lost by reason of a defect in title thereto, then the County shall be obligated, subject to the option provided in Section 7.3 hereof and the provisions of Sections 4.6 and 4.7 hereof, to continue to pay the amounts specified as Installment Payments under this Purchase and Use Agreement.

Section 7.2 Obligation to Repair or Replace the Facilities. Subject to the provisions of Section 7.3 hereof, the County, the Corporation, and the Trustee shall cause the Net Proceeds of any insurance policies, performance bonds, or condemnation awards made available by reason of any occurrence described in Section 7.1 hereof, to be deposited in a separate trust fund designated as the “Net Proceeds Fund” which the Trustee is hereby directed to establish in such event.

Except as set forth in Section 7.3 hereof, all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the 2024 Real Property and the Facilities by the County upon receipt of requisitions by the Trustee signed by an authorized official of the County stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; and (iv) that each obligation mentioned therein has been properly incurred, is properly payable from the Net Proceeds held in the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. In carrying out any of the provisions of this Section 7.2, the County shall have all power and authority granted under Article III of this Purchase and Use Agreement; and the Trustee shall cooperate with the County in the administration of such fund and shall not unreasonably withhold its approval of requisitions required by this Section 7.2. The balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed shall be applied to any lawful and authorized capital purpose of the County as directed in writing by the County. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be included as part of the Facilities under this Purchase and Use Agreement and the Trust Agreement.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the 2024 Real Property or the Facilities, the County

shall be responsible, subject to the option provided in Section 7.3 hereof, for the completion of the work and the payment of any cost in excess of the amount of the Net Proceeds, subject to the availability of such moneys, if any, as shall be then appropriated and budgeted and legally available or otherwise legally available to the County and legally applicable to the completion of the 2024 Project. In this connection, the County agrees that, if by reason of any such insufficiency of the Net Proceeds, the County shall make any payments pursuant to the provisions of this paragraph, the County shall not be entitled to any reimbursement therefor from the Trustee, the Bond Insurer or the Holders of the Series 2024 Bonds, nor shall the County be entitled to any diminution of any Installment Payments payable under this Purchase and Use Agreement.

Section 7.3 Discharge of Obligation to Repair or Replace the 2024 Real Property, and the Facilities. If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the 2024 Real Property or the Facilities is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the Facilities would be impracticable, (b) there is discovered a material defect in the construction of the Facilities, or any portion thereof, that renders the 2024 Real Property, the Facilities, or such portion unusable by the County for its intended purposes, (c) all or substantially all of the 2024 Real Property or the Facilities relating to a particular building is taken by eminent domain, or (d) the County is deprived of the use of any part of the 2024 Real Property, the Facilities by reason of a defect in title thereto, the County may elect to apply the Net Proceeds of applicable insurance policies, performance bonds or condemnation awards as a prepayment of Installment Payments and the discharge of its obligations with respect to Sections 7.1 and 7.2 hereof. Such an election may be made by written notice to the Corporation and the Trustee within 90 days of the occurrence of an event described in (a) through (d) above. Upon any such prepayment, the amount thereof shall be applied to redeem Series 2024 Bonds at the earliest practicable date pursuant to Section 4.1(b) of the Trust Agreement, the Purchase Price shall be recalculated to take account of such prepayment, title to the affected part of the 2024 Real Property or the Facilities (if applicable) shall be deemed transferred to the County and in the event of any future partition under Section 2.4 hereof, such affected part of the 2024 Real Property or the Facilities (if applicable) shall be automatically assigned to the County. If at any time the amount to be applied as a prepayment hereunder shall exceed the redemption price of the Series 2024 Bonds, the Series 2024 Bonds shall be redeemed, title to all the Facilities shall be transferred to the County and any amounts not required for the redemption of the Series 2024 Bonds and payment of other expenses and amounts under the Trust Agreement shall be paid to the County.

Section 7.4 Cooperation of the Parties. The Corporation, the County, and the Trustee shall cooperate fully with each other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 7.1 of this Purchase and Use Agreement, in making the Net Proceeds available in accordance with Section 7.2 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the 2024 Real Property, the Facilities or any portion thereof and in the enforcement of all warranties relating to the 2024 Real Property or the Facilities. The Corporation hereby designates the County as its agent for the purpose of pursuing claims and making collections under such policies, such amounts to be held in trust and applied in accordance herewith. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding with

respect to the 2024 Real Property, the Facilities or any portion thereof without the written consent of the County and the Trustee.

* * *

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1 Events of Default. Each of the following events is hereby defined as, and declared to be and shall constitute, an “*Event of Default*”:

(a) failure by the County to make any payment required to be made pursuant to Section 4.1(b) hereof within five days after the same is due (provided, however, that any such failure by reason of an Event of Nonappropriation shall not result in an Event of Default under this provision);

(b) failure by the County to timely comply with the provisions of Section 2.4 hereof relating to partition and vacating of Facilities at the times required;

(c) failure by the County to make any payment required to be made pursuant to Sections 4.1(c), 4.2 or 4.4 hereof or under the provisions of the Base Lease within ten days after the same is due, except by reason of an Event of Nonappropriation;

(d) failure by the County to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Purchase and Use Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Trustee;

(e) if any of the representations and warranties of the County hereunder shall prove to be false or misleading in any material respect as of the date such representations and warranties were made;

(f) the failure by the County promptly to stay or lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations under this Purchase and Use Agreement (provided that the County shall not be in default so long as it is diligently prosecuting a bona fide appeal from any such execution, garnishment or attachment); or

(g) if the County shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the County or of property of the County, (ii) admit in writing the inability of the County to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated as bankrupt or insolvent, (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law, or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code.

The foregoing provisions of this Section 8.1 are subject to the following provision: If, by reason of Force Majeure, the County shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the County contained in Articles IV and VI of this Purchase and Use Agreement, the County shall not be deemed in default during the continuance of such inability. The County agrees, however, to remedy, as promptly as

legally and reasonably possible, the cause or causes preventing the County from carrying out its agreement, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County.

Section 8.2 Remedies. (a) Whenever any Event of Default referred to in Section 8.1 of this Purchase and Use Agreement shall have happened and be continuing, the Corporation (with written notice promptly given to the Trustee and the Bond Insurer) and the Trustee shall, subject to the prior written consent of the Bond Insurer, terminate the term of this Purchase and Use Agreement and shall give notice to the County to vacate the Corporation Facilities no later than 60 days after the partition report becomes final in accordance with Section 2.4 hereof. Whenever an Event of Nonappropriation shall be deemed to occur, the term of this Purchase and Use Agreement shall terminate pursuant to Section 2.2(a) hereof and the County shall vacate and deliver over to the Trustee possession of the Corporation Facilities by the time specified in the third paragraph of Section 4.7(d) hereof.

(b) Subject to the terms of the Base Lease, the Trustee may also (i) take whatever action at law or in equity which may appear necessary or desirable to enforce its rights in and to the Facilities under this Purchase and Use Agreement or any of the other Security Documents, subject, however, to the limitations set forth herein, and (ii) exercise all the rights and remedies of a secured party under the State's Uniform Commercial Code with respect to any security interests subject thereto.

(c) In addition, the Trustee shall, at the direction of the Bond Insurer or, if the Bond Insurer is then in default under the Policy, the Holders of the majority in aggregate principal amount of the Bonds then Outstanding, without any further demand or notice, and subject to the terms of the Base Lease, take one or both of the following additional remedial steps:

(i) The Trustee may liquidate its interest in this Purchase and Use Agreement or sell or assign its interest in the Base Lease; or

(ii) The Trustee may relet or assign its rights to the Corporation Facilities under such terms and conditions as it deems appropriate for the benefit of the Holders of the Bonds.

(d) Notwithstanding anything in this Purchase and Use Agreement to the contrary, (i) in the event of a termination of the County's interest in any portion of the Facilities and subsequent thereto the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, and payment in full of amounts owed to the Bond Insurer, in excess of the principal amount of the Bonds Outstanding at the time of the Event of Default or Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the County by the Trustee its assigns or its lessee and (ii) the Trustee shall not be permitted to sell, lease or otherwise dispose of any interest in the Corporation Facilities following an Event of Nonappropriation until the Waiver Period has expired, unless such action is expressly subject to the rights of the Corporation, Trustee or the County, as the case may be, to waive such Event of Nonappropriation.

Section 8.3 Limitations on Remedies. A judgment requiring a payment of money may be entered against the County by reason of an Event of Default or Event of Nonappropriation only as to the County's liabilities described in Section 10.1 of this Purchase and Use Agreement.

Section 8.4 Cumulative Rights. No remedy conferred upon or reserved to the Corporation or the Trustee by this Purchase and Use Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase and Use Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Corporation or the Trustee of any breach by the County of any of its obligations, agreements or covenants hereunder shall be deemed a waiver of any subsequent breach, or a waiver of any other obligation, agreement or covenant, and no delay or failure by the Corporation or the Trustee to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by the Corporation or the Trustee from time to time and as often as may be deemed expedient.

Section 8.5 Discontinuance of Proceedings. In case the Corporation or the Trustee shall have proceeded to enforce any right under this Purchase and Use Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Corporation or the Trustee, then and in every such case the County, the Corporation and the Trustee shall be restored respectively to their several positions and rights hereunder and all rights, remedies and powers of the County, the Corporation and the Trustee shall continue as though no such proceeding had been taken.

* * *

ARTICLE IX

CONVEYANCE OF THE FACILITIES

Section 9.1 Optional Purchase of the Facilities.

(a) *Purchase in Full.* The County is hereby granted the option to terminate this Purchase and Use Agreement and to purchase the Corporation's interest in the Facilities not theretofore acquired by the County at any time upon payment by the County of the then applicable Purchase Option Price; provided, however, that no such termination shall relieve the County from its obligation to pay administrative expenses as provided in Section 4.4 hereof until the Series 2024 Bonds have been fully discharged and the Trust Agreement terminated. The County shall notify the Corporation and the Trustee of its intention to exercise this option, on or before the 45th day preceding the date of such purchase, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee. Upon the payment of the Purchase Option Price, the Corporation shall transfer and convey all its remaining interest in the Facilities to the County in the manner provided in Section 9.2 hereof.

(b) *Partial Prepayment of Installment Payments and Purchase.* From and after [September 1, 2034], the County is also granted the option to prepay Installment Payments on the due date of any Base Payments hereunder for the purpose of having such prepayments credited towards the Purchase Price of the Facilities. The County shall notify the Corporation and the Trustee of its intention to exercise this option, on or before the 45th day preceding the date of such prepayment, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee.

Section 9.2 Manner of Conveyance.

(a) *Complete Conveyance.* At the closing of any purchase or other conveyance of all of the Facilities pursuant to Section 9.1 hereof, or at the conclusion of the term hereof by the payment of all amounts due hereunder, the Corporation and the Trustee shall execute and deliver to the County all necessary documents assigning, transferring and conveying all interest to the Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the County, subject to the following:

(i) Permitted Encumbrances, other than this Purchase and Use Agreement and the Trust Agreement;

(ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation and the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the Corporation or the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement; and

(iii) any lien or encumbrance created by action or inaction of or consented to by the County.

(b) *Partial Conveyance Resulting from Partition.* Upon any conveyance under Section 2.4 hereof, the Corporation and the Trustee shall execute and deliver to the County all necessary documents assigning, transferring and conveying all interest in the County Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement with respect to the County Facilities and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the County, subject to the following:

(i) Permitted Encumbrances, other than this Purchase and Use Agreement and the Trust Agreement;

(ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation and the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the Corporation or the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement; and

(iii) any lien or encumbrance created by action or inaction of or consented to by the County.

Neither the Trustee nor the Corporation shall be responsible for the recordation of any deed or other instrument for such purposes.

(c) *Partial Conveyance Resulting from Partial Prepayment.* Any conveyance resulting from a partial prepayment under Section 9.1(b) hereof shall be made in the manner as all other conveyances with respect to payments on each Bond Payment Date.

* * *

ARTICLE X

MISCELLANEOUS

Section 10.1 Limitation of Liability of the Corporation and the County. Notwithstanding any other provision of this Purchase and Use Agreement, in the event of any default, including an Event of Default as to the County, by either the Corporation or the County hereunder or under the Trust Agreement, any liability of the Corporation or the County shall be enforceable only out of its respective interest in the Base Lease and under this Purchase and Use Agreement and the moneys to be paid by the County through the later of the end of the Fiscal Year as to which Base Payments have been appropriated for or the conclusion of any holdover term as provided in Section 2.3 hereof, and there shall be no recourse for any claim based on this Purchase and Use Agreement, the Trust Agreement, or the Bonds, against any other property or moneys of the Corporation or the County or against any officer or employee, past, present or future, of the Corporation or the County or any successor body as such, either directly or through the Corporation or the County or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, and the liability of the Corporation and the County shall be limited to its interests in the Base Lease and interests under this Purchase and Use Agreement and the moneys to be paid by the County hereunder through the later of the end of the Fiscal Year as to which Base Payments have been appropriated therefor or the conclusion of any holdover term as provided in Section 2.3 hereof, and the lien of any judgment shall be restricted thereto, and there shall be no other recourse by the County against the Corporation or the Corporation against the County or any of the property now or hereafter owned by it or either of them.

Section 10.2 Surrender of Possession Upon Termination. Upon termination hereof or upon termination of all rights of the County hereunder, either by reason of an Event of Default or an Event of Nonappropriation, the County covenants that it will deliver or cause to be delivered peaceable possession of such of the Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related portion of the 2024 Real Property without delay, upon demand made by the Corporation or the Trustee, in good repair and operating condition, excepting reasonable wear and tear and damage, injury or destruction by fire or other casualty which, under the terms hereof, shall not have been repaired, reconstructed or replaced.

Section 10.3 Notices. Notices hereunder shall be given to the addresses shown below or to such other address as shall be filed in writing with the parties hereto as follows:

If to the County:

Laurens County, South Carolina
Attn: County Administrator
100 Hillcrest Square
Laurens, SC 29360

If to the Corporation:

Laurens County Public Facilities Corporation
Attn: President
100 Hillcrest Square
Laurens, SC 29360
(with copy to the County as described above)

If to the Trustee:

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29203
Attention: Corporate Trust Department

If to the Bond Insurer:

[BOND INSURER NAME]
[BOND INSURER ADDRESS]
Attention: _____
Re: Policy No. _____
Telephone: (_____
E-mail: _____

In each case in which the notice or other communication refers to a claim on the Policy or an Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at _____.

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the County, the Bond Insurer or the Trustee to one or more of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Purchase and Use Agreement, the Base Lease, the Trust Agreement or any other document reasonably relating to the Bonds sent by the County or the Corporation, as the case may be, by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the County and the Corporation, respectively, shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the County or the Corporation, as applicable, elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions

notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County and the Corporation, as applicable, agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.4 Assignments. Except as expressly provided in the Trust Agreement and the provisions of Section 4.5 hereof, this Purchase and Use Agreement may not be assigned by either of the parties hereto without the written consent of the other party hereto and the written consent of the Trustee and the Bond Insurer. Except as provided in Section 8.2 hereof and the provisions of Articles VI and VII of the Trust Agreement, the Trustee shall not be permitted to further assign its interest in this Purchase and Use Agreement. Any assignment in contravention hereof shall be void.

Section 10.5 Severability. In case any provision of this Purchase and Use Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court or administrative body of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and this Purchase and Use Agreement shall be construed as if such provision had never been contained herein.

Section 10.6 Amendments. The County and the Corporation may, with the prior consent of the Trustee (at the direction of the Bond Insurer) pursuant to Section 11.1 of the Trust Agreement, but without the consent of the Holders of any Bonds, enter into any amendments hereto at any time for any of the following purposes:

- (a) To cure any ambiguity, defect or omission herein or in any amendment hereto; or
- (b) To grant to or confer upon the Corporation any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or
- (c) To add to the covenants and agreements of the County herein contained, or to surrender any right or power herein reserved to or conferred upon the County; or
- (d) To increase the Base Payments hereunder to enable the County to proceed to acquire and install additional assets in addition to the Facilities or modify the Base Payments hereunder in connection with the issuance of Additional Bonds under the Trust Agreement or the redemption, refunding or defeasance of a series of Bonds; or
- (e) To reflect a change in applicable law; or
- (f) To make any amendments required by [RATING AGENCY] as a condition to rating the Bonds.

The County and the Corporation may, with notice to but without the prior consent of the Trustee, and without the consent of the Holder of any Bond, enter into any amendments hereto at any time and from time to time (i) in connection with the issuance of the Series 2024 Bonds, (ii) to add Additional Real Property to the description in Exhibit A hereto, consistent with amendments made pursuant to Section 3.1 of the Base Lease, (iii) under the conditions specified in Section

5.1(c) hereof, to add, delete or modify the 2024 Real Property in connection with a release or substitution (as applicable) of other 2024 Real Property, (iv) to release property from the description of the 2024 Real Property described in Exhibit A hereto, consistent with a termination of the Base Lease pursuant to Section 3.6 of the Base Lease, or (v) to revise the description of Permitted Encumbrances specified in Exhibit C hereto in connection with the foregoing amendments.

Notwithstanding anything herein to the contrary, the parties hereto may execute such supplement to this Purchase and Use Agreement as may be necessary or desirable (with the advice of Bond Counsel) to correct the legal description of the 2024 Real Property or Permitted Encumbrances applicable thereto in connection with such an amendment to the Base Lease and cause such supplement or a short form and summary thereof to be recorded in appropriate official records.

All other amendments must be approved by the Bond Insurer, if and to the extent required by the Trust Agreement, by the Trustee, and the Holders of the Bonds.

All amendments hereto or to the Exhibits to this Purchase and Use Agreement shall require an opinion of Bond Counsel to the effect that such amendment is permitted hereunder and under the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Bonds.

Section 10.7 Successors and Assigns. All covenants, promises and agreements contained in this Purchase and Use Agreement by or on behalf of or for the benefit of the County or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 10.8 Applicable Law. This Purchase and Use Agreement shall be governed by, and interpreted under, the laws of the State.

Section 10.9 Recordation. At the option of the Corporation this Purchase and Use Agreement or a short form and summary hereof may be recorded in appropriate official records.

* * *

(Signature Pages Follow)

WITNESS the due execution of this Purchase and Use Agreement effective as of [May 1, 2024].

LAURENS COUNTY, SOUTH CAROLINA

(SEAL)

Witnesses

By: _____
Thomas R. Higgs, II, County Administrator

Attest:

Cheyenne G. Noffz, Clerk to County Council

**LAURENS COUNTY PUBLIC
FACILITIES CORPORATION**

(SEAL)

Witnesses

By: _____
Barton Holmes, President

Attest:

Cheyenne G. Noffz, Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS) PROBATE

PERSONALLY appeared before me the undersigned witness, who, on oath says that (s)he is not a party to or beneficiary of the transaction and that (s)he saw Laurens County, South Carolina, by its duly authorized County Administrator and Clerk to County Council, sign, seal and as its act and deed, deliver the foregoing Installment Purchase and Use Agreement and that (s)he together with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this ____ day of _____ 2024.

Notary Public for South Carolina
Printed Name: _____
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS) PROBATE

PERSONALLY appeared before me the undersigned witness, who, on oath says that (s)he is not a party to or beneficiary of the transaction and that (s)he saw Laurens County Public Facilities Corporation, by its duly authorized President and Secretary, sign, seal and as its act and deed, deliver the foregoing Installment Purchase and Use Agreement, and that (s)he together with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this ____ day of _____ 2024.

Notary Public for South Carolina
Printed Name: _____
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE 2024 REAL PROPERTY

The 2024 Real Property is as follows:

EXHIBIT B

DESCRIPTION OF FACILITIES

“Historic Courthouse Facilities” means the improvements currently existing and to be constructed on that portion of the 2024 Real Property (including certain Existing Facilities and the 2024 Project and any other improvements currently existing or to be existing on the 2024 Real Property (subject to Section 3.1(c) hereof)) bearing TMS No. 906-11-08-001, Address: 205 W. Laurens Street, Laurens, SC 29360, including fixtures and any future additions, modifications, and substitutions to any facilities on such 2024 Real Property and any personal property located on such 2024 Real Property financed with the Series 2024 Bonds.

“Administrative Facilities” means the improvements currently existing and to be constructed on that portion of the 2024 Real Property (including certain Existing Facilities and the 2024 Project and any other improvements currently existing or to be existing on the 2024 Real Property (subject to Section 3.1(c) hereof)) bearing TMS No. 906-12-09-054, Address: 105 Bolt Drive, Laurens, SC 29360, including fixtures and any future additions, modifications, and substitutions to any facilities on such 2024 Real Property and any personal property located on such 2024 Real Property financed with the Series 2024 Bonds.

For the avoidance of doubt, the Facilities will not include property, vehicles, and equipment not purchased by the County from the proceeds of the Series 2024 Bonds.

EXHIBIT C

PERMITTED ENCUMBRANCES

1. Base Lease Agreement from Laurens County, South Carolina to Laurens County Public Facilities Corporation dated [____], 2024, and recorded on [____], 2024, in the Laurens County Register of Deeds Office in Book [____], page [____].
2. Installment Purchase and Use Agreement between Laurens County Public Facilities Corporation and Laurens County, South Carolina dated [____], 2024, and recorded on [____], 2024, in the Laurens County Register of Deeds Office in Book [____], page [____].
3. UCC-1 Financing Statement with Addendum reflecting Laurens County Public Facilities Corporation as debtor and U.S. Bank Trust Company, National Association as secured party recorded on [____], 2024, in the Laurens County Register of Deeds Office in Book [____], page [____].
4. Any encroachments, encumbrances, violations, variations, or adverse circumstances affecting the title that would be disclosed by an accurate and complete land survey of the 2024 Real Property, shown by the public records, or specifically listed in the title policy issued with respect to this transaction.

EXHIBIT D
BASE PAYMENTS SCHEDULE

EXHIBIT E
VALUATION OF FACILITIES

EXHIBIT F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

TRUST AGREEMENT

TRUST AGREEMENT

between

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

and

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

**[\$[PAR]]
LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024**

Dated as of [May 1, 2024]

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TRUST AGREEMENT

This TRUST AGREEMENT dated as of [May 1, 2024] (this “*Trust Agreement*”) is made by and between LAURENS COUNTY PUBLIC FACILITIES CORPORATION (the “*Corporation*”), a South Carolina nonprofit corporation, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, Laurens County, South Carolina (the “*County*”) is simultaneously herewith entering into a Base Lease Agreement dated as of [May 1, 2024] (the “*Base Lease*”) with the Corporation, pursuant to which the County is leasing to the Corporation the 2024 Real Property and is conveying the Existing Facilities (each term as defined in the Base Lease) to the Corporation in consideration for the Corporation agreeing to undertake the 2024 Project (as defined in the hereinafter defined Purchase and Use Agreement);

WHEREAS, the Corporation is simultaneously herewith entering into an Installment Purchase and Use Agreement with the County dated as of [May 1, 2024] (the “*Purchase and Use Agreement*”) pursuant to which, subject to Section 3.1(b) of the Purchase and Use Agreement, the Corporation has agreed to undertake the 2024 Project (as defined in the Purchase and Use Agreement) with respect to the Facilities, and the County has agreed to purchase the Facilities from the Corporation under the provisions of the Purchase and Use Agreement in consideration for which the County will be entitled to occupy the Facilities in accordance with the terms of the Purchase and Use Agreement;

WHEREAS, the Corporation desires to issue its \$[PAR] principal amount Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “*Series 2024 Bonds*”) pursuant to this Trust Agreement, in order to provide funds, together with other available amounts, (i) to defray the cost of the 2024 Project, (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on the Insurance Policy (as defined herein);

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2024 Bonds and the security therefor and to provide for the issuance of one or more series of Additional Bonds (as defined herein) (the Additional Bonds together with the Series 2024 Bonds, are referred to herein as the “*Bonds*”) to be secured under the terms hereof on a parity with the Series 2024 Bonds, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts;

WHEREAS, the Bonds are and will be secured by this Trust Agreement, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts;

WHEREAS, as the source of payment and security for the Bonds, the rights of the Corporation (except for the hereinafter defined Reserved Rights) under the Purchase and Use Agreement, including certain of the payments to be made by the County thereunder, are being assigned to the Trustee hereunder;

WHEREAS, payment of the scheduled principal and interest on the Series 2024 Bonds will be guaranteed by a municipal bond insurance policy (the “*Insurance Policy*”) issued by [BOND INSURER] (the “*Bond Insurer*”); and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement, and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that to secure the payment of the principal of, premium, if any, and interest on the Bonds, to secure the performance and observance of all the covenants, agreements, obligations and conditions contained therein and herein; and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be executed, delivered, held, secured and enforced; and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt of which is acknowledged, the Corporation has executed and delivered this Trust Agreement and absolutely assigns hereby and grants a security interest herein to the Trustee, and its successors in trust and assigns, all of the following described collateral, whether presently owned or subsequently acquired by the Corporation (the “*Trust Estate*”):

GRANTING CLAUSES

Granting Clause First

All right, title and interest of the Corporation in the Revenues (as defined herein), including, without limitation, all Installment Payments (as defined in the Purchase and Use Agreement) and other amounts receivable by or on behalf of the Corporation under the Purchase and Use Agreement; subject to certain reserved rights described in Sections 4.2, 4.4, 4.5, and 5.5 of the Purchase and Use Agreement, as described and referenced in Section 4.5 thereof (the “*Reserved Rights*”).

Granting Clause Second

All of the Corporation’s right, title, and interest in and to the Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2024 Real Property, and in the Facilities, including all of the right, title, and interest of the Corporation in and to (i) the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the 2024 Real Property, and from and in connection with the Corporation’s ownership of the Facilities, without limiting the generality of the foregoing, rents and revenues under any and all leases of the 2024 Real Property or the Facilities or any agreement for the operation or management of the 2024 Real Property or the Facilities, and (ii) all leases of all or part of the Facilities or the 2024 Real Property hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees’ obligations thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses, and permits now or hereafter affecting the Facilities, the 2024 Real Property or any part thereof.

Granting Clause Third

All of the Corporation's rights with respect to any insurance or condemnation proceeds with respect to the Facilities, the 2024 Real Property or any portion thereof, and the proceeds of any other collateral granted hereunder or assigned hereby as security for the Bonds.

Granting Clause Fourth

All moneys and investments in the funds and accounts created pursuant to this Trust Agreement (except such funds or accounts as may be created exclusively for the payment of arbitrage rebate related to the Bonds) and all income thereon.

TO HAVE AND TO HOLD unto the Trustee and its successors in trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof, and subject to the Bonds provided for herein and the Purchase and Use Agreement, except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds executed and delivered under and secured by this Trust Agreement; for the enforcement of the payment of Installment Payments by the County when payable, according to the true intent and meaning thereof and of this Trust Agreement (including without limitation the payment of fees and expenses of the Trustee); and to secure the performance and observance of, and compliance with the covenants, agreements, obligations, terms and conditions of, this Trust Agreement, in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other Bond by reason of series designation, number, date of the Bond or of authorization, sale, execution, delivery or maturity thereof, or otherwise, so that each of the Bonds shall have the same right, lien and privilege under this Trust Agreement as all other Bonds and shall be secured equally and ratably hereby, it being intended that the lien and security of this Trust Agreement shall take effect from the date hereof, without regard to the date of the actual execution, delivery, sale or disposition of the Bonds as though upon that date all of the Bonds were actually executed, sold and delivered to purchasers for value; *provided, however*, that the amounts on deposit in the subaccounts, if any, of the Acquisition Account (defined herein) and Reserve Account (defined herein) established for a particular series of Bonds shall be available solely for the benefit of such series (and for no other series) of Bonds; and *provided, further*, that (i) if the principal of the Bonds and premium, if any, and the interest due or to become due with respect thereto shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof; and (ii) if all of the covenants, agreements, obligations, terms and conditions of the Corporation under this Trust Agreement shall have been kept, performed and observed and there shall have been paid to the Trustee, as such and as the Paying Agent (as defined herein), all sums of money due or to become due to it in accordance with the terms and provisions hereof, *then*, this Trust Agreement and the rights assigned hereby shall cease, determine and be void with respect to the Bonds, except as provided in Section 9.2 hereof with respect to the survival of certain provisions hereof; otherwise, this Trust Agreement shall be and remain in full force and effect.

It is declared that all Bonds executed and delivered hereunder and secured hereby are to be executed, authenticated, and delivered, and that all property assigned hereby is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants,

agreements, obligations, trusts, uses, and purposes provided in this Trust Agreement. The Corporation and the Trustee have each agreed and covenanted, and agree and covenant with each other and with each and all Holders, as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Terms used herein without other definition shall have the meanings provided therefor in the Purchase and Use Agreement unless the context or use clearly indicates another meaning or intent. In addition, the following words and terms shall have the meanings set forth below unless the context or use clearly indicates another meaning or intent:

“**2024 Capitalized Interest Sub-Account**” means the subaccount by that name established in the Acquisition Account of the Bond Fund.

“**2024 Project**” has the meaning given such term in the Purchase and Use Agreement.

“**2024 Real Property**” has the meaning given such term in the Base Lease.

“**Acquisition Account**” means the account of such name within the Bond Fund established pursuant to Section 5.5 hereof.

“**Additional Ancillary Projects**” means improvements acquired, developed and constructed with proceeds of Additional Bonds, but not made subject to the Base Lease or the Purchase and Use Agreement.

“**Additional Bonds**” means any Bonds issued pursuant to this Trust Agreement after the issuance of the Series 2024 Bonds and secured by the Trust Estate on a parity with the Series 2024 Bonds, if the Series 2024 Bonds are then Outstanding, under the terms of this Trust Agreement.

“**Additional Facilities**” means any facilities of the County acquired, constructed, or improved by the Corporation with the proceeds of Additional Bonds or other moneys and made subject to the Purchase and Use Agreement and the Base Lease.

“**Additional Payments**” has the meaning given such term in the Purchase and Use Agreement.

“**Additional Real Property**” means any real property in addition to the 2024 Real Property that is or will become the site of Additional Facilities.

“**Administrative Fee**” means any program or other similar fees (including but not limited to annual facilities review fees) any other fees and expenses of the Corporation or the Trustee (including legal fees and expenses), in each case in connection with the Bonds, this Trust Agreement, the Purchase and Use Agreement or the Base Lease.

“**Authorized Financial Representative**” means such person designated by the Corporation as being authorized to act as the Corporation’s agent to provide directions with respect to the investment or reinvestment of amounts held by the Trustee in funds and accounts established under

this Trust Agreement, which designation shall be evidenced by a written certificate or letter signed by the President of the Corporation delivered to the Trustee and may be revoked, rescinded or replaced by a similar certificate or letter at any time.

“**Base Lease**” means the Base Lease Agreement dated as of [May 1, 2024], between the County and the Corporation, as it may be amended and supplemented from time to time.

“**Base Payments**” shall have the meaning set forth in the Purchase and Use Agreement.

“**Beneficial Owner**” means any purchaser who acquires a beneficial ownership interest in a Bond held by the Securities Depository. In determining any Beneficial Owner, the County, the Corporation, the Trustee and the Paying Agent may rely exclusively upon written representations made and information given to the County, the Corporation, the Trustee and the Paying Agent, as the case may be, by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository or its Participants in which a beneficial ownership interest is claimed.

“**Bond**” or “**Bonds**” means the Series 2024 Bonds and any Additional Bonds issued and secured under the terms hereof.

“**Bond Counsel**” means a firm of nationally recognized bond counsel experienced in matters relating to the issuance of obligations of states or political subdivisions thereof.

“**Bond Fund**” means the Bond Fund established pursuant to Section 5.5 hereof.

“**Bond Insurer**” means, with respect to the Series 2024 Bonds, [BOND INSURER], or any successor thereto or assignee thereof, and with respect to any Additional Bonds, the issuer of any insurance policy issued in connection with such Additional Bonds.

“**Bond Payment Date**” means any Interest Payment Date or Principal Payment Date.

“**Book-Entry Form**” or “**Book-Entry System**” means with respect to a Series of Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in such Bonds may be transferred only through a book-entry and (ii) physical Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical Bonds “immobilized” in the custody of or pursuant to the rules of the Securities Depository. The book-entry maintained by the Securities Depository is the record that identifies the owners of participatory interests in the Bonds, when subject to the Book-Entry System.

“**Business Day**” shall mean any day of the week other than Saturday, Sunday or a day which shall be in the State or the state in which the designated corporate trust office of the Trustee is located a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close or a day on which the New York Stock Exchange is closed.

“**Chairman**” means the Chairman of County Council.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant

applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

“**Corporation**” means Laurens County Public Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

“**Corporation Representative**” means the President or the Treasurer and also any person or persons from time to time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Purchase and Use Agreement and this Trust Agreement as evidenced by a written certificate furnished to the County and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

“**Council**” means the County Council of the County, as the governing body of the County, and any successor body.

“**Counsel**” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the County or the Corporation.

“**County**” means Laurens County, South Carolina.

“**County Representative**” means the County Administrator or the Chairman and also any person or persons from time to time designated to act on behalf of the County in matters relating to the Base Lease, the Purchase and Use Agreement, or this Trust Agreement as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the County by the Chairman or Vice Chairman or the County Administrator. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the County Representative.

“**Defeasance Obligations**” means (a) cash; or (b) non-callable: (i) Government Obligations; (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; (iii) non-callable, U.S. Treasury Securities – State and Local Government Series Securities; and (iv) upon the consent of the Bond Insurer, AAA-rated general obligation bonds (based upon a rating issued by at least one nationally recognized credit rating organization) of the State, its institutions, agencies, school districts and political subdivisions.

“**Event of Default**” means an Event of Default under Section 7.1 hereof.

“**Event of Nonappropriation**” has the meaning given such term in the Purchase and Use Agreement.

“**Extraordinary Services**” and “**Extraordinary Expenses**” means all services rendered and all expenses incurred by the Trustee (including attorneys’ fees and costs) under this Trust Agreement, other than Ordinary Services and Ordinary Expenses.

“**Facilities**” shall have the meaning set forth in the Purchase and Use Agreement.

“Favorable Opinion of Bond Counsel” means, with respect to any requested action under this Trust Agreement, an opinion of Bond Counsel, addressed to the Corporation, the Trustee and the County, to the effect that such action is (i) authorized or permitted under this Trust Agreement and (ii) will not impair the exclusion of interest on Bonds issued as tax-exempt obligations from gross income for purposes of federal income taxation or the exemption of interest on Bonds issued as obligations the interest on which is intended to be exempt from State personal income taxation under the laws of the State (subject to customary exceptions).

“Fiscal Year” shall have the meaning set forth in the Purchase and Use Agreement.

“Government Obligations” means any of the following:

- (1) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America are pledged;
- (2) obligations, the payment of the principal (if any), or the interest (if any) on which is fully guaranteed as a full faith and credit obligation of the United States of America; and
- (3) obligations issued by the Federal Home Loan Bank and/or the Federal National Mortgage Association as permitted by Section 6-5-10(a)(2) of the South Carolina Code, as amended.

“Holder” or **“Holder of a Bond”** or **“Bondholder”** means the Person in whose name a Bond is registered on the Register.

“Installment Payments” means the amounts required to be paid to the Corporation by the County pursuant to Sections 4.1, 4.2, and 4.4 of the Purchase and Use Agreement.

“Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer insuring the scheduled payment of principal of and interest on the Series 2024 Bonds.

“Insurer Default” means (i) the Bond Insurer fails to make any payment under the Insurance Policy when due and owing in accordance with its terms; or (ii) the Bond Insurer (A) voluntarily commences any proceeding or files any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (B) consents to the institution of or fails to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (C) applies for or consents to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (D) files an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) makes a general assignment for the benefit of creditors, or (F) takes action for the purpose of effecting any of the foregoing; (iii) the Insurance Policy is declared null and void or unenforceable in a final determination by a court of law; or (iv) any state or federal agency or instrumentality orders the suspension of payments on the Insurance Policy or obtains an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Bond Insurer (including without limitation under the New York Insurance Law).

“Interest Payment Date” means March 1 and September 1 of each year, beginning September 1, 2024, while there are any unpaid or Outstanding Bonds.

“**Moody’s**” means Moody’s Investors Service Inc., and its successors or assigns.

“**Ordinary Services**” and “**Ordinary Expenses**” means those services normally rendered, and those expenses normally incurred, by a trustee, registrar or paying agent under instruments similar to this Trust Agreement.

“**Outstanding**” or “**outstanding**,” when used with reference to the Bonds, means, as of the applicable date, all the Bonds which have been executed and delivered, or which are being delivered by the Trustee under this Trust Agreement, except:

- (1) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;
- (2) Bonds, or the portions thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee pursuant to the provisions of this Trust Agreement on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);
- (3) Bonds or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Trust Agreement; and
- (4) Bonds in lieu of which others have been executed and delivered under Section 3.12 of this Trust Agreement.

“**Participant**” means any bank, brokerage house or other financial institution for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“**Paying Agent**” means the Trustee acting in that capacity.

“**Permitted Investments**” means shall mean, within the limitations set forth herein, any investments now or hereafter permitted under Section 6-5-10 of the South Carolina Code, or any successor or similar statute, and shall also include the South Carolina Pooled Investment Fund established at Sections 6-6-10 to 6-6-40 of the South Carolina Code or any successor or similar statute permitted by the Holders.

“**Person**” or words importing “**persons**” means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“**Principal Payment Date**” means September 1 of each year, beginning September 1, 2025, while there are any unpaid or Outstanding Bonds.

“**Project Fund**” means the Project Fund established pursuant to Section 5.2 hereof.

“**Purchase and Use Agreement**” means the Installment Purchase and Use Agreement dated as of [May 1, 2024], between the Corporation, as seller, and the County, as buyer, as the same may be amended and supplemented from time to time.

“**Record Date**” means either a Regular Record Date or a Special Record Date as the case may be.

“**Register**” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 3.13 hereof.

“**Regular Record Date**” means, with respect to any Bond, the fifteenth day of the month next preceding a Bond Payment Date applicable to such Bond.

“**Reserve Account**” means the account of such name within the Bond Fund established pursuant to Section 5.5 hereof.

“**Reserve Requirement**” means with respect to any series of Additional Bonds, such reserve requirement set forth in the Supplemental Agreement authorizing the issuance of such series of Additional Bonds.

“**Reserve Surety**” has the meaning given such term in Section 5.5(g) hereof.

“**Reserved Rights**” means the Corporation’s rights pursuant to Sections 4.2, 4.4, and 5.5 of the Purchase and Use Agreement, to receive indemnification and other payments and its right to receive certain notices thereunder.

“**Revenues**” means, with respect to the Bonds, (i) the Installment Payments under the Purchase and Use Agreement, (ii) all other moneys received or to be received by the Trustee under the Purchase and Use Agreement from the lease, sale, or other disposition of the Facilities or the 2024 Real Property, (iii) any monies and investments in the Bond Fund (including the Acquisition Account and the Reserve Account), and (iv) all income and profit from the investment of the foregoing moneys.

“**S&P**” means Standard & Poor’s Global Ratings, and its successors or assigns.

“**Securities Depository**” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and includes and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“**Securities Depository Nominee**” means, with respect to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name the Bonds shall be registered on the Register during the time such Bonds are held under a Book-Entry System through such Securities Depository.

“**Series 2024 Bonds**” means the \$[PAR] Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024, of the Corporation, dated the date of their delivery, and authorized by and secured under this Trust Agreement.

“*Special Record Date*” means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 3.5 hereof.

“*South Carolina Code*” means the Code of Laws of South Carolina 1976, as from time to time amended.

“*State*” means the State of South Carolina.

“*Supplemental Agreement*” means any agreement supplemental to this Trust Agreement entered into between the Corporation and the Trustee in accordance with Article VIII hereof.

“*Tax Certificate*” means the tax certificate of the County and the Corporation dated the date of the initial delivery of the Series 2024 Bonds, and for any Additional Bonds, the tax certificate delivered in connection therewith.

“*Trust Agreement*” means this Trust Agreement dated as of [May 1, 2024], by and between the Corporation and the Trustee, as the same may be supplemented and amended from time to time by any Supplemental Agreement.

“*Trust Estate*” means the Trust Estate described in the Granting Clauses hereto.

“*Trustee*” means U.S. Bank Trust Company, National Association, a national banking association, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of this Trust Agreement.

“*Underwriter*” means Wells Fargo Bank, National Association, as Underwriter.

Section 1.2 Interpretation. Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the South Carolina Code, the Code, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the County, the Corporation, the Holders, or the Trustee under this Trust Agreement, the Bonds, the Base Lease, the Purchase and Use Agreement or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay principal, premium, if any, or interest on the Bonds in the amount and manner, at the times, and from the sources provided in this Trust Agreement, except as permitted herein.

Unless the context indicates otherwise, words implying the singular number include the plural number, and vice versa. The terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder,” “hereinafter” and similar terms refer to this Trust Agreement; and the term “hereafter” means after, and the term “heretofore” means before the date of this Trust Agreement. Words of any gender generally include the correlative words of the other gender, unless the sense indicates otherwise.

References to sections, articles, or exhibits, unless otherwise indicated, are to sections and articles of or exhibits to this Trust Agreement.

Section 1.3 Captions and Headings. The captions and headings in this Trust Agreement are solely for convenience of reference and in no way define, limit, or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs, or clauses hereof. Three asterisks mark the end of each Article.

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ARTICLE II

RECITALS AND REPRESENTATIONS

Section 2.1 Base Lease and Purchase and Use Agreement. The Corporation and the County have entered into (i) the Base Lease, pursuant to which the County has leased its interest in the 2024 Real Property to the Corporation and has conveyed its interest in the Existing Facilities to the Corporation, and (ii) the Purchase and Use Agreement, pursuant to which the County has arranged with the Corporation for the construction, acquisition, installation, and equipping of the 2024 Project and for the sale to and use and occupancy by the County of the Facilities, subject to Section 3.1 of the Purchase and Use Agreement.

Section 2.2 Installment Payments. Under the Purchase and Use Agreement, the County is obligated to pay to the Corporation or its assigns during the term thereof Installment Payments, subject to the occurrence of an Event of Nonappropriation as set forth in Section 4.7 of the Purchase and Use Agreement, and subject to the County's right to exercise its purchase option as set forth in Section 9.1 of the Purchase and Use Agreement.

Section 2.3 Assignment and Conveyance. (a) For the purpose of securing the payment of the Bonds, the Corporation has assigned, and granted a security interest in, the Trust Estate to the Trustee under the granting clauses hereto. The Corporation hereby represents and confirms that it has full legal power and authority to assign the Trust Estate as enumerated in the granting clauses hereto and that no assignment thereof has been made except to the Trustee. Notwithstanding anything in this Trust Agreement to the contrary, the Corporation shall be required to take any action required of it pursuant to the Purchase and Use Agreement, the Base Lease and any other contracts or agreements for which the Corporation's rights thereunder have been assigned to the Trustee as part of the Trust Estate, unless the Trustee is acting on behalf of the Corporation pursuant to such assignment.

(b) The Corporation and the Trustee intend for this Trust Agreement to be a security agreement within the meaning of the Uniform Commercial Code as adopted by the State (the "*UCC*"). The intent of the Corporation is to provide to the Trustee, to the fullest extent that the Trust Estate now or hereafter may be subject to a security interest under the UCC, the security interest in the Trust Estate including all presently-owned, or after-acquired property constituting all or a portion of the Trust Estate. The Corporation agrees to prepare, execute (as applicable) and file all initial financing statements necessary to perfect this security interest or other statutory liens held by the Trustee, to the extent required by applicable law. The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Trust Agreement. The Trustee shall file continuation statements with respect to each UCC financing statement relating to the Trust Estate filed at the time of the issuance of any Bonds; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee is timely notified in writing by the Corporation or Bond Counsel that any such initial filing or description of collateral contained therein was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or continuation statements thereto pursuant to this Section and (b) filing any continuation statements in the same filing offices as the initial filings were made. The customary fees charged by the Trustee for the preparation and filing of continuation statements and the reasonable costs incurred by the Trustee in the preparation and

filing of all continuation statements hereunder shall be paid by the County as an Additional Payment pursuant to the Purchase and Use Agreement. The Trustee shall prepare and file any extensions, continuations or renewals thereof, as may be required to continue the perfection of this security interest or other statutory liens held by the Trustee, to the extent required by applicable law. With respect to any of the Trust Estate in which a security interest is not perfected by the filing of a financing statement, the Corporation consents and agrees to undertake, and the Trustee agrees to cooperate fully with the Corporation using commercially reasonable efforts, to perfect the security interest granted to the Trustee in the Trust Estate. During the term of the Purchase and Use Agreement, the Trustee may exclusively rely on the County to operate and maintain the Facilities and the 2024 Real Property in accordance with all laws, ordinances, rules and regulations, including without limitation, Environmental Laws.

(c) The Corporation and the Trustee intend for this Trust Agreement to be a collateral assignment of all rents, leases, issues, and profits created by, or arising out of any right, title, or interest of the Corporation in the Trust Estate, including without limitation, all leases, rents, issues, and profits arising out of the Base Lease, the Purchase and Use Agreement, and any future lease or leases now or hereinafter entered into by the Corporation.

Section 2.4 Powers and Trusts Granted. All acts, conditions and things required by law to exist, happen, and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

Section 2.5 Other Security Documents. The Corporation shall cause this Trust Agreement (or an assignment agreement of the Corporation in favor of the Trustee, in lieu hereof) and any financing statements relating hereto, to be filed, in such manner and at such places as may be required by law fully to protect the security of the Holders of the Bonds and the right, title, and interest of the Trustee in and to the Facilities, the 2024 Real Property, and the Trust Estate created by this Trust Agreement or any part thereof. The Corporation will cause the Base Lease, the Purchase and Use Agreement, and any related instruments or documents, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Corporation shall execute or cause to be executed any and all further instruments as may be necessary for such protection of the interests of the Holders of the Bonds until the principal of and interest of the Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as may be requested by the Corporation in writing to perfect and to preserve the Trust Estate created by this Trust Agreement or any part thereof until the Bonds shall have been paid or discharged in the manner hereinafter provided.

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ARTICLE III

AUTHORIZATION AND TERMS OF BONDS

Section 3.1 Principal Amount of Series 2024 Bonds; Designation of Series 2024 Bonds; Conditions to Delivery. (a) Pursuant to the provisions of this Trust Agreement, there are hereby authorized to be issued one or more series of Bonds of the Corporation. Upon the execution and delivery hereof, there is hereby authorized an initial series of Bonds in the aggregate principal amount of \$[PAR] to be designated “Laurens County Public Facilities Corporation Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024.” Any Additional Bonds shall be designated “Laurens County Public Facilities Corporation Installment Purchase Revenue Bonds” with such further and other designation, including the appropriate series designation, as may be necessary to identify each such series of Additional Bonds.

(b) Upon the execution and delivery of this Trust Agreement, and satisfaction of the conditions established by this Trust Agreement and the Purchase and Use Agreement for delivery of the Series 2024 Bonds, the Corporation shall execute and the Trustee shall authenticate and deliver the Series 2024 Bonds to, or to the order of, the Underwriter.

(c) Before the Trustee authenticates and delivers any of the Series 2024 Bonds, the Trustee shall have received a request and authorization from the County and the Corporation, signed on their behalf by a County Representative and a Corporation Representative, respectively, to authenticate and deliver the Series 2024 Bonds to, or on the order of, the Underwriter upon payment to the Trustee of the amount specified therein, which amount shall be deposited as provided in Section 5.1 hereof. Executed copies of the following shall be submitted with the request, in connection with the issuance of the Series 2024 Bonds:

- (1) This Trust Agreement;
- (2) The Base Lease;
- (3) The Purchase and Use Agreement; and
- (4) The Tax Certificate relating to the Series 2024 Bonds.

(d) Bonds and the interest thereon and redemption premium, if any, shall be an obligation of the Corporation, and shall be secured by and payable from the Trust Estate. Bonds do not and shall not be deemed to constitute or create an indebtedness, liability, or obligation of the County within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith, credit, or taxing power of the County. The Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in this Trust Agreement for the equal and ratable benefit of the Holders, from time to time, of the Bonds.

Section 3.2 Purposes. The Series 2024 Bonds are authorized for the principal purposes of providing funds, together with other available amounts:

- (1) to defray the cost of the 2024 Project;
- (2) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024; and
- (3) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on the Insurance Policy.

Section 3.3 Maturity Schedule; Date; Interest Rates. The Series 2024 Bonds shall be dated [Closing Date], and shall mature on September 1 in the years and principal amounts set forth below and shall bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the interest rates per annum set forth below:

<u>Due</u> <u>September1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
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Section 3.4 Provisions Relating to Additional Bonds; Conditions for Issuance.

(a) *Authorization for Additional Bonds.* Additional Bonds may be issued hereunder and secured by the Trust Estate on a parity with the Series 2024 Bonds under the conditions set forth herein.

(b) *Purposes for Additional Bonds.* Subject to the provisions of applicable law, Additional Bonds may be issued for the purposes of providing funds (i) to refund any of the Series 2024 Bonds or any Additional Bonds theretofore issued, or (ii) for the purpose of paying the cost of Additional Facilities or Additional Ancillary Projects.

(c) *Conditions to the Issuance of All Additional Bonds.* Prior to issuing any Additional Bonds, there shall have been executed and delivered: (i) a Supplemental Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the

issuance of such Additional Bonds; (ii) an amendment or supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, making any changes required to make Additional Real Property subject thereto and supplementing Exhibit B and Exhibit E thereto to provide for the Additional Facilities; (iii) an amendment or supplement to the Base Lease extending the term thereof by at least the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto; (iv) a Favorable Opinion of Bond Counsel; and (v) while any Series 2024 Bonds are outstanding, the prior written consent of the Bond Insurer; provided, however, that the prior written consent of the Bond Insurer shall not be required with respect to Additional Bonds issued for the purpose of refunding all of the Outstanding Bonds insured by the Bond Insurer. There shall also be provided to the Trustee certified copies of resolutions adopted by the Board of Directors of the Corporation and an ordinance enacted by the Council authorizing the issuance of the Additional Bonds and the execution and delivery of the documents to which each is a party. No Additional Bonds may be issued hereunder if at the time there is an Event of Default or an Event of Nonappropriation unless upon the issuance of such Additional Bonds, no other Bonds will be Outstanding hereunder.

(d) *Other Provisions Relating to Additional Bonds.* The details of any Additional Bonds, including any Reserve Requirement relating thereto and the payment provisions thereof shall be specified in the Supplemental Agreement hereto providing for the issuance thereof. Such Supplemental Agreement shall include provisions establishing the separate accounts and subaccounts of the Bond Fund and other funds and accounts for such series of Additional Bonds.

Section 3.5 Payment of Principal and Interest. (a) Each of the Series 2024 Bonds shall be authenticated, as provided in Section 3.10 hereof, on such date as it shall be delivered and shall bear interest from the later of the date of delivery, or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event, each such Series 2024 Bond shall bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from the date thereof. Additional Bonds shall be authenticated and bear interest as provided in the Supplemental Agreement prescribing the terms and conditions thereof.

(b) Subject to the provisions of Section 3.18 hereof, the principal of and premium, if any, on the Bonds shall be paid in immediately available funds by check or draft drawn upon the Trustee to the Holders thereof upon presentation and surrender thereof when due at the designated corporate trust office of the Trustee; provided, that any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), request that principal and premium payments be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States. Subject to the provisions of Section 3.18 hereof, the interest on the Bonds shall be paid by check or draft drawn upon the Trustee and mailed to the Holders in whose names the Bonds are registered on the Record Date; provided that any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by

subsequent written instructions), request that interest payments for any period be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States.

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called “**Defaulted Interest**”) shall forthwith cease to be payable to the Owner of such Bond on the relevant Regular Record Date by virtue of having been such Owner. The Trustee may elect to make payment of any Defaulted Interest to the persons in whose names such Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation or the Trustee, at the written direction of the Corporation, shall determine the amount of Defaulted Interest proposed to be paid on each such Bond and the date of the proposed payment, shall fix a date (a “**Special Record Date**”) for the payment of such Defaulted Interest which shall be not more than 15 nor less than ten days prior to the date of the proposed payment, and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed first class, postage prepaid, to each Owner not less than five days prior to such Special Record Date at his address as it appears on the Register not less than ten days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

Section 3.6 Denomination; Numbering. The Series 2024 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2024 Bonds shall be numbered by the Trustee consecutively from 1 upward, preceded by the letter “R”. Additional Bonds shall be in such denominations and be numbered in the manner provided in the Supplemental Agreement providing therefor.

Section 3.7 Paying Agent. As long as there is any Outstanding Bond under this Trust Agreement, the Corporation shall cause the Trustee to serve as Paying Agent therefor. Notices and demands to or upon the Trustee and the Corporation in respect of the Bonds may be served, at the designated corporate trust office of the Trustee. The Bonds shall be presented for registration of transfers and exchanges in accordance with the provisions of this Trust Agreement at the designated corporate trust office of the Trustee.

Section 3.8 Form of Bonds. The Series 2024 Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit A with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Additional Bonds shall be in such form as is provided in the Supplemental Agreement pursuant to which such Additional Bonds are issued.

Section 3.9 Execution of Bonds. The Bonds shall be executed in the name of and on behalf of the Corporation by the President of the Corporation, and the same shall be attested by the Secretary of the Corporation or such other officer as may be designated by the Board of Directors of the Corporation. Such officers may employ facsimiles of their signatures. In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

Section 3.10 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Trustee shall be entitled to any right or benefit under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized signatory of the Trustee.

Section 3.11 Medium of Payment. The Bonds shall be payable with respect to principal, interest and premium, if any, in lawful money of the United States of America.

Section 3.12 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Corporation may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Corporation and to the Trustee evidence of such loss, theft or destruction satisfactory to the Corporation and the Trustee together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Corporation may provide written direction to the Trustee to pay the same. The Corporation and the Trustee may charge the Holder of such Bond with their reasonable fees and expenses in this connection.

Section 3.13 Transfer and Registration; Persons Treated as Owners. (a) As long as there shall be any Outstanding Bonds, the Corporation shall cause books for the registration and transfer of Bonds to be kept which books constitute the Register. The Register shall be kept by the Trustee at its designated corporate trust office. The transfer of each Bond may be registered only upon the Register kept by the Trustee for that purpose by the Holder thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized attorney. Upon the registration of transfer of any Bond, the Trustee will authenticate and deliver, subject to the provisions of Section 3.15 hereof, in the name of the transferee, a new Bond or Bonds of the same series, maturity, interest rate and aggregate principal amount as the surrendered Bond.

(b) The Corporation and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary.

Section 3.14 Interchangeability of Bonds. Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 3.15 hereof; be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity in any other authorized denomination.

Section 3.15 Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Trustee may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Corporation nor the Trustee shall be required to issue, exchange or transfer (i) any Bond during the 15 days immediately preceding any Bond Payment Date, (ii) any Bond during a period beginning at the opening of business 15 days immediately preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption or (iii) any Bonds called for redemption in whole or in part.

Section 3.16 Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds. Upon the surrender of mutilated Bonds pursuant to Section 3.12 hereof or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued. The Trustee shall cancel and destroy any Bond certificates it has received in accordance with its retention policy in effect at the time, and a counterpart of the certificate evidencing such destruction (or other evidence satisfactory to the Corporation) shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement.

Section 3.17 Payments Due on Days Other Than a Business Day. In any case where the Bond Payment Date or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal of, premium, if any, or interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the Bond Payment Date or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 3.18 Book-Entry System. Notwithstanding anything to the contrary herein, so long as any series of the Bonds is being held under a Book-Entry System pursuant to this Section 3.18, payment of principal and premium (if any) of and interest on such Bonds and transfers of beneficial ownership of such Bonds will be effected pursuant to rules and procedures established by the Securities Depository. The Series 2024 Bonds shall be initially issued under a Book-Entry System and shall be held thereunder except as provided in this Section 3.18. The Series 2024 Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2024 Bond for each series, maturity and interest rate in a principal amount equal to the amount of such maturity and interest rate, and shall be registered on the Register in the name of the Securities Depository Nominee. So long as the Book-Entry System is in effect, the Securities Depository Nominee will be recognized as the Holder of the Series 2024 Bonds for the purposes of (i) paying the principal of, premium, if any, or interest on the Series 2024 Bonds, (ii) selecting the Series 2024 Bonds or portions thereof to be redeemed, (iii) giving any notice permitted or required to be given to Holders under this Trust Agreement, (iv) registering the transfer of Series 2024 Bonds, and (v) requesting any consent or other action to be taken by the Holders, and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the

contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any beneficial owner of Series 2024 Bonds or any other person claiming a beneficial ownership interest in the Series 2024 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the Register as being a Holder of Series 2024 Bonds with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant, (ii) the payment to the Securities Depository, any Participant or any beneficial owner of Series 2024 Bonds of any amount in respect of the principal of, premium, if any, or interest on the Series 2024 Bonds, (iii) any notice which is permitted or required to be given to Holders under this Trust Agreement, (iv) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Series 2024 Bonds or (v) any other action taken by the Securities Depository as Holder of the Series 2024 Bonds. So long as the Book-Entry System is in effect, the Trustee shall pay all principal of and premium, if any, and interest on the Series 2024 Bonds only to the Securities Depository or the Securities Depository Nominee, as the case may be, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on the Series 2024 Bonds to the extent of the sum or sums so paid.

In the event that the Corporation determines that it is in the best interest of the Corporation not to continue the Book-Entry System or that the interest of the beneficial owners of the Series 2024 Bonds may be adversely affected if the Book-Entry System is continued, then the Corporation shall notify the Securities Depository and the Trustee in writing of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2024 Bonds. In such event, the Corporation shall execute and the Trustee shall authenticate, register and deliver physical Series 2024 Bonds as requested by the Securities Depository or any Participant or beneficial owner of Series 2024 Bonds in appropriate authorized denominations in exchange for the Series 2024 Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Series 2024 Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Corporation may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Corporation shall either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2024 Bonds in the manner described above; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the Series 2024 Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the U.S. Securities and Exchange Commission.

Notwithstanding any other provision of this Trust Agreement to the contrary, so long as the Series 2024 Bonds are registered in the name of Cede & Co., as Securities Depository Nominee, all payments with respect to the principal of, premium, if any, and interest on the Bonds and all notices with respect to the Series 2024 Bonds shall be made and given, respectively, to The Depository Trust Company, New York, New York, as provided in the Blanket Letter of Representations of the Corporation.

In connection with any notice or other communication to be provided to the Holders by the Corporation or the Trustee with respect to any consent or other action to be taken by the Holders, the Corporation or the Trustee, at the written direction of the Corporation, as the case may be, shall

establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than 15 days in advance of such record date to the extent possible.

Section 3.19 Tax Covenants of Corporation. The Corporation will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Series 2024 Bonds, to the extent the Series 2024 Bonds are issued on a federally tax-exempt basis, and, if it should take or permit, or omit to take or cause to be taken, any such action, the Corporation will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The Corporation acknowledges that the continued exclusion of interest evidenced by or paid on the Series 2024 Bonds from a Holder's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. To that end, the Corporation covenants that it will comply with the Tax Certificate, if any.

The Corporation acknowledges that the Series 2024 Bonds are being issued by the Corporation, acting on behalf of the County, within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24 ("**Revenue Ruling 63-20**") and Treasury Regulation Section 1.103-1(b), and covenants to comply with all provisions of Revenue Ruling 63-20 and all of the applicable provisions of Revenue Procedure 82-26, 1982-1 C.B. 476 ("**Revenue Procedure 82-26**"). The Corporation therefore represents, warrants and covenants as follows:

(a) The Corporation is organized under the general nonprofit laws of the State as a nonprofit organization, the articles of incorporation of the Corporation provide that the Corporation is not organized for profit, and the Corporation's income does not inure to any private person. The activities and purposes of the Corporation are those permitted under the general nonprofit corporation laws of the State, the Corporation will engage only in activities and for purposes that are permitted under the general nonprofit laws of the State and the Facilities and the 2024 Real Property are located entirely within the geographic boundaries of the County.

(b) The articles of incorporation of the Corporation provide that income of the Corporation will not inure to any private person. In fact, income of the Corporation does not inure to any private person, and upon dissolution of the Corporation, the Corporation's net assets shall be distributed to the County. The Corporation shall not amend or modify its articles of incorporation or bylaws to modify any of its stated purposes or activities, or with respect to any other provision, unless the Corporation has filed with the Trustee and the County a Favorable Opinion of Bond Counsel.

(c) Prior to a termination (if any) of the Purchase and Use Agreement pursuant to Section 2.2 thereof which gives rise to a partition of the Facilities pursuant to Section 2.4 thereof, the County shall have exclusive beneficial possession and use of the Facilities and the 2024 Real Property, including any improvements and additions thereto, equivalent to at least 95% of the fair rental value of the Facilities and the 2024 Real Property for the term of the Series 2024 Bonds, including any other obligations issued by the Corporation either to make improvements to the Facilities and the 2024 Real Property or to refund a prior issue of the Corporation's obligations related to the Facilities and the 2024 Real Property.

(d) The County currently has or will obtain fully unencumbered fee simple title, subject to Permitted Encumbrances, to the Facilities and the 2024 Real Property no later than such time as the Series 2024 Bonds are discharged. For purposes of this paragraph and the definition of “Base Lease Term” as such term is defined in the Base Lease, the Series 2024 Bonds will be discharged when (i) cash is available at the place of payment on the date that the Series 2024 Bonds are due (whether at maturity or upon prior call for redemption) and (ii) interest ceases to accrue on the Series 2024 Bonds. Upon discharge of the Series 2024 Bonds, the Corporation will convey to the County such fee simple title and exclusive possession and use of the Facilities and the 2024 Real Property (to the extent the County does not already have such title, possession and use), including any additions thereto, without demand or further action on its part. In this regard, all leases, management contracts and similar encumbrances (other than Permitted Encumbrances), if any, relating to the Facilities and the 2024 Real Property shall terminate upon discharge of the Series 2024 Bonds.

(e) While the Purchase and Use Agreement is in effect, the County has the right at any time to obtain unencumbered fee title and exclusive possession of the Facilities and the 2024 Real Property, including any additions thereto (to the extent the County does not already have such title, possession, and use) by exercising its rights under Section 9.1 of the Purchase and Use Agreement, by placing into escrow an amount equal to the amount described therein. If the County exercises such right, the Corporation must immediately cancel all encumbrances (other than Permitted Encumbrances) on the Facilities and the 2024 Real Property (to the extent the Corporation has possession and use thereof), including leases and management contracts, except as may be otherwise permitted by Revenue Procedure 82-26.

(f) While the Purchase and Use Agreement is in effect, in the event the Corporation defaults in its payments under the Series 2024 Bonds, the County has the exclusive option to purchase the Facilities and any additions thereto (to the extent the County does not already have such title, possession, and use) for the amount of the Outstanding Series 2024 Bonds and accrued interest to the date of default. The County must exercise its option, if at all, not more than 90 days from the date it is notified by the Corporation (or the Trustee on behalf of the Corporation) of such default and, if elected, must have 90 days from the date of exercise of such option to purchase the Facilities.

(g) All of the original proceeds of the Series 2024 Bonds shall be used to provide tangible real and tangible personal property. Proceeds are considered to provide tangible property only if the proceeds are (i) used to finance costs that a taxpayer must charge to the property’s capital account, may elect to charge to the property’s capital account instead of deducting, or may elect to deduct instead of charging to the property’s capital account and (ii) used to fund a reasonably required reserve fund for the Series 2024 Bonds within the meaning of Revenue Procedure 82-26. The preceding sentence does not apply to a de minimis amount, less than \$5,000, that is included in the Series 2024 Bonds solely for the purpose of rounding the dollar amount of the issue. If excess proceeds remain on hand after the completion of construction or reconstruction of the Facilities, the requirements of this paragraph will be considered met if (i) the face amount of the Series 2024 Bonds (taking into account estimated investment proceeds) was based on reasonable estimates of the cost of the Facilities at the time the Series 2024 Bonds were issued, and the excess proceeds are used and invested in the manner described in Section 3.052 of Revenue Procedure 82-26. For purposes of this paragraph, “original proceeds” are amounts (after payment of all expenses of issuing the Series 2024 Bonds) received at any time as a result of the sale of the Series

2024 Bonds and “investment proceeds” are amounts (net of administrative costs) that result from the investment of any proceeds of the Series 2024 Bonds. However, investment proceeds do not include amounts earned after the date that (i) construction, reconstruction or acquisition of the Facilities is completed, or (ii) all of the proceeds (less amounts used to fund a reasonably required reserve fund) have been spent on the construction, reconstruction or acquisition of the Facilities, whichever occurs later.

(h) The Council enacted an ordinance on April 8, 2024, which date is within one year prior to the issue date of the Series 2024 Bonds, approving the purposes and activities of the Corporation, the issuance of the Series 2024 Bonds by the Corporation for the purposes of financing the 2024 Project and related costs, and stating that the County will accept title to the Facilities (to the extent the County does not already have such title, possession, and use), including any additions or improvements thereto, no later than such time as the Series 2024 Bonds are discharged.

(i) The proceeds of fire or other casualty insurance policies received in connection with the damage or destruction to the portion of the Facilities financed with the proceeds of the Series 2024 Bonds, including any improvements, will be used to rebuild the Facilities, and the remaining balance thereafter will be remitted to the County to be used for any lawful capital purpose.

(j) In the event of any division of the Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, the Corporation agrees that, unless (i) it obtains an opinion of Bond Counsel to the effect that such action is unnecessary to preserve the exclusion from gross income of interest on any Series 2024 Bonds, or (ii) the Corporation or the Trustee is directed by the owners of a majority of the beneficial ownership interests of the Series 2024 Bonds, it will timely undertake to satisfy the requirements of the Code and the Treasury Regulations relating to a change in use of the Facilities. Regulations governing such remedial action are now contained in Section 1.141-12 of the Treasury Regulations.

The covenants of this Section 3.19 related to compliance with the Code shall be inapplicable to any Series 2024 Bonds if the interest thereon is not intended to be excluded from federal income taxes.

* * *

ARTICLE IV

REDEMPTION OR PURCHASE OF BONDS

Section 4.1 Redemption of Bonds.

(a) *Optional Redemption of Series 2024 Bonds.* In the event the County exercises its option pursuant to Section 9.1 of the Purchase and Use Agreement to purchase the Corporation's interest in the Facilities and pay the amount required to defease and redeem the Series 2024 Bonds or to prepay Base Payments or in the event the County makes a voluntary prepayment under Section 4.3 of the Purchase and Use Agreement, the Series 2024 Bonds maturing after September 1, 20__, may be redeemed in whole or in part at any time on and after September 1, 20__, by the Corporation at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

The Series 2024 Bonds shall be redeemed in accordance with this paragraph (a) only by written notice from the County or the Corporation to the Trustee of the redemption of the Series 2024 Bonds and directing the Trustee to give notice thereof to the Holders in accordance with Section 4.2 hereof. Such notice shall specify the redemption date on which the Series 2024 Bonds are to be redeemed, the particular Series 2024 Bonds to be redeemed, and shall be given to the Trustee at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. Prior to the giving of notice by the Trustee to the Holders as provided in Section 4.2 hereof, there shall be deposited with the Trustee funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof all of the redeemable Series 2024 Bonds for which notice of redemption has been given; provided that the Trustee may accept such other assurance from the County or the Corporation as it deems appropriate as to the availability of such funds or may condition any such notice on the receipt of funds at or prior to the date set for redemption.

(b) *Special Optional Redemption of Series 2024 Bonds.* In the event the County elects to prepay Installment Payments pursuant to the provisions of Section 7.3 of the Purchase and Use Agreement, the Series 2024 Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee, and approved by the Bond Insurer, at the direction of the Corporation), at a price equal to 100% of the principal amount of the Series 2024 Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Series 2024 Bonds shall be redeemed pursuant to this paragraph (b) in accordance with the procedure set forth in the last paragraph of Section 4.1(a) above and Section 4.2 hereof.

(c) *Partial Redemption of Series 2024 Bonds.* If less than all of the Series 2024 Bonds are called for redemption, the Series 2024 Bonds to be redeemed will be selected in the manner that the Corporation shall determine as set forth in a certificate of the Corporation filed with the Trustee. If less than all Series 2024 Bonds of any one maturity are called for redemption, the Corporation or the Trustee, at the written direction of the Corporation, shall select the applicable Series 2024 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2024 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2024 Bond is Cede & Co., such selection shall be made by DTC.

(d) *Mandatory Sinking Fund Redemption.* The Series 2024 Bonds maturing on September 1, 20__ (the “**20__ Term Bonds**” or the “**Term Bonds**”), shall be subject to mandatory sinking fund redemption commencing September 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on September 1 of each of the following years in the respective principal amounts for each year specified below:

<u>Year</u>	<u>Principal Amount</u>
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* Final Maturity

The amounts of any mandatory sinking fund redemptions set forth above will be reduced to the extent the Term Bonds have been purchased by the County or redeemed by the County pursuant to the optional redemption provisions described above, in such manner as the County directs or, absent such direction, on a pro-rata basis.

(e) *Redemption of Additional Bonds.* Provisions relating to the circumstances upon which Bonds other than Series 2024 Bonds may be redeemed shall be as set forth in the Supplemental Agreement providing for the issuance thereof.

Section 4.2 Notice of Redemption. Notice of redemption of the Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice given by the Trustee to Bondholders expressly states that such redemption is conditioned upon the deposit of funds sufficient for the redemption by the Corporation and that failing such deposit no redemption shall take place. The notice of the call for redemption of Bonds shall identify (i) the CUSIP number or numbers, if any, of the Bonds to be redeemed; (ii) the numbers assigned to such Bonds, and in the case of Bonds called in part only, the amounts being redeemed; (iii) the date of the notice; (iv) the redemption date; (v) the redemption price; (vi) the address of the Trustee where such Bonds are to be presented, with the name and telephone number of a contact person, if available; (vii) the issue date of the Bonds; and (viii) the maturity date of the Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the Holder of each Bond subject to redemption at the Holder’s address shown on the Register on the 15th day preceding that mailing; provided such notice shall be given by facsimile or by certified or registered mail, return receipt requested to each person who holds Bonds in the aggregate principal amount of not less than \$100,000; and provided further such notice shall be given by certified or registered mail, return receipt requested, or (at the expense of the recipient thereof) by overnight delivery service deposited in the mail or with such delivery service not later than 35 days prior to the date fixed for such redemption and repurchase to appropriate financial information services and securities depositories (including the Securities Depository) and any other securities depository that has requested such notification in all such cases with expense of such notice to be borne by the Corporation.

Failure to receive any notice by mailing or otherwise or any defect in such notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Section 4.3 Payment of Redeemed Bonds. Notice having been given in accordance with Section 4.2 hereof, the Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price plus interest accrued to the redemption date; *provided, however,* that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this section until such condition has been satisfied.

If money for the redemption of all of the Bonds to be redeemed is held by the Trustee on the redemption date so as to be available therefor on that date, and if notice of redemption has been given as provided in Section 4.2 hereof, then from and after the redemption date those Bonds called for redemption shall no longer be entitled to payment of any sum other than the redemption price.

In the event Bonds which have been called for redemption are not presented to the Trustee for redemption on or prior to the 30th day following the redemption date, the Trustee shall notify the registered Holder thereof by facsimile or by certified or registered mail, return receipt requested, that such Bonds have been called and that the Trustee is holding funds for the payment of the redemption price thereof pending presentation by such Holder.

All moneys deposited in the Bond Fund and held by the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 4.4 Purchase of Bonds. At the written direction of the County, the Trustee shall, if and to the extent the Trustee deems practicable, attempt to purchase Bonds at such time, in such manner and at such price, not to exceed the then applicable redemption price (or if no redemption is then permitted, not to exceed the price at which such Bonds may first be redeemed or paid at maturity) for such Bonds, as may be specified by the County. The Trustee shall purchase Bonds with any amounts provided to it by the County pursuant to Section 4.3 of the Purchase and Use Agreement or otherwise deposited to the applicable Acquisition Account of the Bond Fund, provided that all regularly scheduled payments on the Bonds then due and payable have first been satisfied. Any accrued interest due to the Holder of any Bond so purchased may be paid from funds held by the Trustee for the payment of interest due on such Bonds on the next ensuing Interest Payment Date. Unless directed otherwise by the County in writing, the Trustee shall cancel any such Bonds so purchased. Prior to effecting any purchase hereunder, the Trustee shall receive a Favorable Opinion of Bond Counsel and assurance of payment of any costs incurred by the Trustee in connection with any purchase hereunder.

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ARTICLE V

PROVISIONS AS TO FUNDS AND PAYMENTS

Section 5.1 Deposit of Money. In order to assure that the costs of the 2024 Project will be paid and that the Facilities will be available for purchase and occupancy by the County, in each case without delay, there shall be deposited with the Trustee the proceeds received from the sale of the Series 2024 Bonds as described in this Section 5.1.

The proceeds of the Series 2024 Bonds, less underwriter's discount of \$_____, [and less the premium of the Insurance Policy paid to Bond Insurer (\$_____),] shall be deposited by the Trustee and applied as follows:

- (1) \$_____ shall be deposited into the Project Fund to defray a portion of the costs of the 2024 Project as set forth in Section 5.3(b) hereof;
- (2) \$_____ shall be deposited into the 2024 Capitalized Interest Sub-Account, to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024; and
- (3) \$_____ shall be deposited into the Cost of Issuance Fund to be applied as set forth in Section 5.3(c) hereof.

Section 5.2 Creation of Project Fund and Cost of Issuance Fund. There are hereby created as separate accounts in the custody of the Trustee trust funds designated as the "***Project Fund***" and the "***Cost of Issuance Fund***." Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the Series 2024 Bonds deposited in the Project Fund and the Cost of Issuance Fund pursuant to Section 5.1 hereof, together with any other moneys and Permitted Investments held to the credit thereof, shall be held as security for the payment of the Series 2024 Bonds. As directed by the County and the Corporation in writing, the Cost of Issuance Fund may be established as a subaccount of the Project Fund.

Section 5.3 Disbursements. (a) Moneys in (i) the Project Fund shall be disbursed to defray a portion of the costs of the 2024 Project, and (ii) the Cost of Issuance Fund shall be disbursed for the payment of issuance costs of the Series 2024 Bonds, all in accordance with the provisions of this Section 5.3. The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and the Cost of Issuance Fund and all investments and disbursements of moneys in the Project Fund and the Cost of Issuance Fund.

(b) All disbursements from the Project Fund shall be made by the Trustee upon the receipt of a requisition in the form of the requisition at Exhibit B hereof signed by a Corporation Representative and a County Representative. The Trustee shall have no duty to review or investigate the accuracy of the requisition for other than the form and format. Upon the substantial completion of the 2024 Project, the Corporation shall submit to the Trustee a final requisition in the form of the final requisition at Exhibit C hereof signed by a Corporation Representative and a County Representative in the total amount remaining owing for costs of the 2024 Project, including all applicable retainages. Upon the receipt of the final requisition, the Trustee shall promptly

disburse the amounts requested therein. The Trustee shall be entitled to rely on each requisition as conclusive evidence of the County's compliance with the procedure described herein.

(c) The Trustee is hereby authorized to pay from the Cost of Issuance Fund from time to time, upon written direction of a County Representative, together with an invoice or other evidence of the amounts payable thereunder, costs of issuance of the Series 2024 Bonds. Upon written direction of the County, any amounts remaining in the Cost of Issuance Fund, after payment of all costs of issuance of the Series 2024 Bonds, shall be transferred to the Acquisition Account of the Bond Fund.

Section 5.4 Completion of the 2024 Project. (a) As soon as is practicable after the completion of the 2024 Project and the filing with the Trustee of the final requisition referred to in Section 5.3(b) hereof, the Trustee shall transfer any balance remaining in the Project Fund attributable to the 2024 Project to the Acquisition Account of the Bond Fund and the Project Fund shall be closed.

Section 5.5 Creation of Bond Fund; Acquisition Account and Reserve Account. (a) There is hereby created in the custody of the Trustee a separate trust fund to be designated the "Bond Fund." Within the Bond Fund there shall be established an Acquisition Account and a Reserve Account. There shall be deposited in the Bond Fund (and credited, as required by this Trust Agreement or the Purchase and Use Agreement, to appropriate accounts and subaccounts therein), amounts sufficient to pay the principal and premium, if any, of and interest on each series of Bonds from the Base Payments to be made by the County to the Trustee, as assignee of the Corporation, under the terms of the Purchase and Use Agreement.

Upon the issuance of the Series 2024 Bonds, the 2024 Capitalized Interest Sub-Account shall be created in the Acquisition Account of the Bond Fund, for the benefit of the Series 2024 Bonds. Moneys necessary to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, shall be deposited into such subaccount.

Upon the issuance of any series of Additional Bonds hereunder, (i) one or more separate subaccounts may be created in the Reserve Account of the Bond Fund to provide for any Reserve Requirement with respect to such Additional Bonds with the intent being that the Additional Bonds shall only be payable from the subaccounts of the Reserve Account established with respect to such series of Bonds upon the issuance thereof and (ii) a separate subaccount shall be created in the Acquisition Account for purposes of making payment on each series of Bonds with the intent being that the Series 2024 Bond and any Additional Bonds shall only be payable from the subaccounts of the Acquisition Account established with respect to such series of Bonds upon the issuance thereof.

(b) The Bond Fund (and the Accounts and subaccounts therein) and the moneys and Permitted Investments therein shall be used solely and exclusively for the payment of principal of, premium, if any, and interest on the Bonds as the same become due, except as otherwise provided in this Trust Agreement.

(c) The Trustee shall set aside from moneys in the Bond Fund amounts sufficient to make timely payments of the principal of, premium, if any, and interest on the Bonds.

(d) Amounts due with respect to a particular series of Bonds, except as provided in the remainder of this Section 5.5, shall be payable as they become due in the following order, (i) first, from amounts in the applicable subaccount of the Acquisition Account; (ii) second, from the moneys available from the applicable subaccounts of the Reserve Account, if any; (iii) third, from other Revenues to the extent available; and (iv) fourth, from any other source lawfully available to the Trustee, including without limitation, proceeds from the leasing of the Facilities or the 2024 Real Property in accordance with the terms of the Purchase and Use Agreement and the Base Lease.

(e) If, at the close of business on the third Business Day prior to any Bond Payment Date with respect to a particular series of Bonds, the amount in the applicable subaccount of the Acquisition Account is less than the amount due and payable with respect to such series of Bonds on such Bond Payment Date, the Trustee shall immediately transfer from the applicable subaccount of the Reserve Account, if any, to the applicable subaccount of the Acquisition Account an amount sufficient to make up such deficiency; provided that if there is a Reserve Surety in effect, then to the extent the money, if any, in the applicable subaccount of the Reserve Account is not sufficient to make up such deficiency, then the Trustee shall make a claim against the Reserve Surety. In the event of any such transfer, the Trustee shall, within ten days after making the transfer, provide written notice to the County and the Corporation of the amount and date of that transfer. Pursuant to the Purchase and Use Agreement, upon receipt of such notice, the County is obligated, subject to the terms thereof, to pay to the Trustee, for deposit into the applicable subaccount of the Reserve Account, from any source of legally available and appropriated funds as an Additional Payment, an amount equal to such transfer in 12 equal monthly installments in the Fiscal Year immediately following the Fiscal Year in which such transfer is made; provided, that if the Reserve Requirement for one or more particular series of Bonds is met in whole or in part by a Reserve Surety, payments required hereby shall be applied first to the reinstatement of the Reserve Surety and then for deposit into the applicable subaccount of the Reserve Account.

(f) Monies in a subaccount of the Reserve Account established for one or more particular series of Bonds shall be used solely: (i) to the extent necessary to make up deficiencies in the applicable subaccounts of the Acquisition Account, as provided in subsection (e) above; (ii) as provided in Section 5.7 hereof; and (iii) if all Base Payments with respect to such series of Additional Bonds are then current, to be credited against the last remaining required installments of Base Payments for that series of Bonds and for that purpose any remaining amounts in such subaccount of the Reserve Account shall be transferred as Base Payments to the applicable subaccount of the Acquisition Account by the Trustee on or before the final Principal Payment Date of such series of Bonds.

(g) (i) In lieu of the required deposits into a subaccount of the Reserve Account established for a particular series of Bonds, the Corporation may cause to be deposited therein a surety bond, an insurance policy, a letter of credit or other credit facility (each, a “*Reserve Surety*”), payable to the Trustee that in each case shall be in an amount equal to the difference between the Reserve Requirement applicable to such series of Bonds and the sums, if any, then on deposit to the credit of the applicable subaccount of the Reserve Account.

(ii) On or prior to the expiration of a Reserve Surety delivered pursuant to (i) above which expires prior to the maturity date of the Bonds of such series, the Corporation must

cause to be delivered a replacement Reserve Surety, or the applicable subaccount of the Reserve Account must be fully funded by a claim against such expiring Reserve Surety, or the applicable subaccount of the Reserve Account must be fully funded by cash. In no event may the issuer of the Reserve Surety have pledged or assigned to it any interest in the Trust Estate granted hereunder unless subordinate to the interest of the Trustee. Any such Reserve Surety shall be issued in the name of or for the benefit of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification by the Trustee that the funds drawn thereunder are to be used for the purposes set forth in the preceding paragraph. The Trustee shall receive payment thereunder prior to any expiration or termination thereof and whenever moneys are required for the purposes for which such fund's moneys may be applied. If the Corporation elects to deposit a Reserve Surety in the applicable subaccount of the Reserve Account in lieu of moneys on deposit therein, upon any such deposit, the Trustee shall release to the Corporation from the applicable subaccount of the Reserve Account cash in an amount equal to, or Permitted Investments held therein having a market value equal to, the face amount of the Reserve Surety then being deposited, except that moneys on deposit in such fund which were originally proceeds of any series of Bonds shall be transferred to the applicable subaccount of the Acquisition Account or for any other use specified by the Corporation.

(h) Notwithstanding anything herein to the contrary, the Trustee shall be entitled to create such other funds and accounts as may be necessary or desirable in connection with the administration of its duties hereunder, including but not limited to such funds and accounts as may be established for the deposit of moneys related to the payment of arbitrage rebate in connection with the Bonds.

Section 5.6 Reserved.

Section 5.7 Investments. (a) Moneys in the Project Fund and the Bond Fund shall be invested and reinvested by the Trustee in Permitted Investments at the written direction of the Authorized Financial Representative. Any investments of moneys held to the credit of the Project Fund or the Bond Fund shall mature, be available or redeemable at the option of the owner or holder, or, in the case of a forward delivery agreement, repurchase agreement or similar contract, be available thereunder, not later than the respective dates when the money held to the credit of those Funds and Accounts will be required for the purpose intended. The Trustee may conclusively rely upon any such written direction of the Authorized Financial Representative as to legality and suitability of any directed investment, the qualification of any directed investment as a Permitted Investment or Defeasance Obligation hereunder, and as to the satisfaction of the requirements of the preceding sentence. In the absence of written direction from the Authorized Financial Representative, the Trustee shall hold funds as cash, uninvested.

(b) At the written direction of the Authorized Financial Representative, from time to time, the Trustee shall sell investments and reinvest the proceeds therefrom in Permitted Investments maturing or redeemable or available as required hereunder. The Trustee may enter into transactions for the purchase or sale of Permitted Investments with itself or any bank, trust company or savings and loan association affiliated with the Trustee. The Trustee shall sell or redeem Permitted Investments credited to the Bond Fund at the times required for the purpose of paying amounts due with respect to the Bonds payable therefrom when due as aforesaid, and shall

do so without necessity for any order. An investment made from moneys credited to any Account in the Bond Fund shall constitute part of that Account and Fund, and each Account and Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

(c) Investment income from investment of amounts on deposit in the Project Fund shall be retained therein and applied as other moneys in the Project Fund.

(d) Investment income from investment of a particular subaccount of the Acquisition Account shall be retained in such subaccount and credited against the amount of the applicable Base Payments to be paid by the County on the next succeeding Bond Payment Date.

(e) Investment income from investment of a particular subaccount of the Reserve Account shall be retained in such subaccount to the extent that the Value (as determined in the manner prescribed in paragraph (h) below) of amounts on deposit in such subaccount therein is less than the Reserve Requirement with respect to the applicable series of Bonds, and any excess over such Reserve Requirement shall be transferred from such subaccount on or prior to each Bond Payment Date for credit against the applicable Base Payments to be paid by the County, in the manner directed by the County.

(f) The Trustee shall report to the County at least five days prior to each date on which a Base Payment is due and payable the amount of investment income credited or transferred to the particular subaccount of the Acquisition Account of the Bond Fund and available to make payments due on the next Bond Payment Date, and the amount of the applicable Base Payment by the County on that date shall be reduced by such amount. So long as the Trustee provides reports to the County not less than quarterly as to the investment of monies in the Funds and Accounts hereunder, the Trustee shall not be required to deliver brokerage confirmations as to any investment hereunder.

(g) The Trustee shall not be liable for any loss resulting from the making or disposition of any investment in Permitted Investments pursuant to the provisions of this Section provided it acts in good faith and without negligence in making such investment, and any such losses shall be charged to the Fund and Account with respect to which such investment is made.

(h) For purpose of this Section, “**Value**” shall mean, with respect to any investment, the value calculated as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to the time of determination;

(ii) as to guaranteed investment contracts, certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(iii) as to any investment not specified above: the value thereof established by prior agreement between the Corporation and the Trustee;

provided, however, that unless there has been a withdrawal from such Reserve Account to prevent a deficiency in any related Bond Fund, all investments in the Reserve Account shall be valued at their original cost. The Trustee shall value the investments in the Reserve Account and each subaccount therein at least 15 days prior to each Bond Payment Date during the term of the Purchase and Use Agreement.

(i) In the event, as of a date of valuation, investments in the Reserve Account or any subaccount therein plus the value of any Reserve Surety credited thereto are determined to be less than the Reserve Requirement applicable thereto, the Trustee shall notify the Corporation, and the Corporation shall notify the County with a demand that it restore such Account or subaccount from any source of legally available and appropriated funds as an Additional Payment to the Reserve Requirement in 12 equal monthly installments in the Fiscal Year immediately following the Fiscal Year in which such valuation is made.

(j) Notwithstanding anything contained herein to the contrary, the Trustee shall have no obligation to enter into any repurchase agreement, investment agreement or any similar agreements with respect to the investment of any moneys pursuant to this Trust Agreement unless (i) such agreement is in form and content acceptable to the Trustee, in its sole discretion, (ii) any liability of the Trustee is limited to loss occasioned by the gross negligence or willful misconduct of the Trustee and (iii) the County shall pay to the Trustee an additional fee established by the Trustee in accordance with its customary practices.

Section 5.8 Moneys to be Held in Trust. All moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement or the Purchase and Use Agreement, and any investments thereof, shall be held by the Trustee in trust. Except for moneys held by the Trustee pursuant to Section 5.9 hereof, all moneys described in the preceding sentence held by the Trustee shall be subject to the lien of this Trust Agreement while so held.

Section 5.9 Nonpresentment of Bonds. If any Bond is not presented for payment when its principal becomes due in whole or in part, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Corporation or the County to that Holder for the payment of the principal then due or of the check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, that principal then due or of such check or draft.

Subject to applicable law, any such moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of five years after the due date thereof, shall be paid to the County free of any trust or lien. Thereafter, the Holder of such Bond shall look only to the County for payment and then only to the amounts so received by the County without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

Section 5.10 Repayment to County from Bond Fund. Except as provided in Section 5.9 hereof, any amounts remaining in the Bond Fund in excess of the amounts necessary to effect the payment and discharge of the Bonds (i) after all of the Outstanding Bonds shall be deemed

paid and discharged under the provisions of this Trust Agreement, and (ii) after payment of all fees, charges and expenses of the Trustee (including attorneys' fees and costs) and of all other amounts required to be paid under this Trust Agreement and the Purchase and Use Agreement, shall be paid to the County.

* * *

ARTICLE VI

TRUSTEE

Section 6.1 Trustee's Acceptance and Responsibilities. (a) The Trustee accepts the trusts imposed upon it by this Trust Agreement, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article VI, to all of which the parties hereto and the Holders agree.

(b) It is expressly understood and agreed that this Trust Agreement is being executed by the Trustee not in its corporate and individual capacity but solely as trustee hereunder in the exercise of the power and authority conferred and vested in it as such Trustee. It is further understood and agreed that neither the Trustee nor any past, present or future director, officer, employee, agent, controlling person or nominee of the Trustee shall be personally liable for any breach of any representation or warranty of the trust incorporated herein or in any other agreement or obligation contemplated hereby and nothing herein or therein contained shall be construed as creating any liability of the Trustee in its corporate and individual capacity or as creating any liability of any past, present or future director, officer, employee, agent, controlling person or nominee of the Trustee to make any payment or to perform any agreement or undertaking contained herein or therein.

(c) Prior to the occurrence of an Event of Default of which the Trustee has been notified or deemed to have been notified as provided in paragraph (f) of Section 6.2 hereof, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Trust Agreement, and no duties or obligations shall be implied to the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the procedural requirements of this Trust Agreement.

(d) After the occurrence of an Event of Default of which the Trustee has knowledge, the Trustee shall exercise those rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of its own affairs.

(e) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subsection (c)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subsection (c)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Holders of not less than a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement;

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity against such risk or liability is not reasonably assured to it; and

(v) the Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Corporation or the County) approved by the Trustee in its sole and absolute discretion. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

(f) Every provision of this Trust Agreement or any Related Document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VI. Whenever the Trustee acts in its capacity as Trustee with respect to any document or agreement relating the Bonds, the provisions of this Article VI shall apply to all such action.

Section 6.2 Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 6.1 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified in Section 6.1 above), (ii) shall be entitled to the advice of counsel concerning all matters of trusts or powers hereof and duties hereunder, and (iii) may pay all such compensation in all cases to all of those attorneys, agents, receivers and employees employed by it in connection with the trusts hereof.

(b) The Trustee shall not be responsible for:

(i) any recital in this Trust Agreement or the Bonds or any information or statement in any official statement, offering memorandum or other disclosure material, including continuing disclosure material prepared or distributed with respect to the Bonds,

(ii) the validity, priority, perfection, recording, rerecording, filing or refiling of this Trust Agreement or any Supplemental Agreement (or any assignment agreement related hereto or thereto), the Purchase and Use Agreement or the Base Lease or any financing statement with respect to the Trust Estate,

- (iii) any instrument or document of further assurance or collateral assignment,
- (iv) the initial filing of financing statements,
- (v) insurance of any of the Facilities or the 2024 Real Property or collection of insurance moneys,
- (vi) the validity of the execution by the Corporation of this Trust Agreement, any Supplemental Agreement or instruments or documents of further assurance,
- (vii) the sufficiency of the security for the Bonds executed and delivered hereunder or intended to be secured hereby,
- (viii) the value of or title to the Facilities or the 2024 Real Property, or
- (ix) the maintenance of the security hereof, except that, in the event that the Trustee enters into possession of a part or all of the Facilities or the 2024 Real Property pursuant to any provision of the Purchase and Use Agreement or any other instrument or document collateral thereto, the Trustee shall use due diligence in preserving that property.

Pursuant to Section 10.1(b) hereof, the Trustee shall enforce all covenants, agreements and obligations of the County under and pursuant to the Base Lease and the Purchase and Use Agreement. The Trustee shall not be obligated to monitor the Corporation's or the County's compliance with either the Base Lease or the Purchase and Use Agreement. The Trustee may require of the Corporation or the County full information and advice as to the observance or performance of those covenants, agreements and obligations.

(c) Except with respect to the disbursement of amounts deposited with or received by it under the provisions of this Trust Agreement, the Trustee shall not be accountable for the application by the County or any other Person of the proceeds of the Bonds.

(d) The Trustee shall be protected and shall incur no liability, in the absence of bad faith on its part, in acting or proceeding, or in not acting or not proceeding upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instruments. Any action taken by the Trustee pursuant to this Trust Agreement upon the request or authority or consent of any Person who is the Holder of any Bond at the time of making, the request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds executed and delivered in exchange therefor or in place therefor.

(e) As to the existence or nonexistence of any fact for which the Corporation or the County may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed on behalf of the Corporation by a Corporation Representative or the County by a County Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default of which the Trustee has been notified or is deemed to have notice as provided in paragraph (f) of this Section, the Trustee may accept a similar certificate

to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default with respect to the Bonds, except Events of Default described in Section 7.1(a) hereof, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the County or the Holders of at least 10% of the aggregate principal amount of Outstanding Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above. The Trustee shall not be deemed to have notice of an Event of Nonappropriation unless it shall have received written notice of the same.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may inspect and copy fully all books, papers and records of the Corporation pertaining to the Facilities or any Additional Facilities and the 2024 Real Property or any Additional Real Property, and may make any memoranda from and in regard thereto as the Trustee may desire in its sole discretion.

(h) The Trustee shall not be required to give any bond or surety with respect to execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Trust Agreement, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and corporate action and evidence thereof, in addition to those required by the terms hereof, as a condition to the authentication and delivery of any Bonds or the taking of any action whatsoever within the purview of this Trust Agreement, if the Trustee deems it to be desirable for the purpose of establishing the right of any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder pursuant to Section 6.4 or Article VII hereof (with the exception of any action required to be taken under Section 7.2 hereof), the Trustee may require that an indemnity bond or other form of indemnity satisfactory to it be furnished to the Trustee by the Holders for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful default.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Trust Agreement shall be held in trust for the purposes for which such moneys were received, until such moneys are used, applied or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Trust Agreement or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Corporation.

(l) Any opinions, certificates and other instruments and documents for which provision is made in this Trust Agreement, may be accepted by the Trustee, in the absence of bad

faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its action taken hereunder.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own negligence or willful misconduct.

Section 6.3 Fees, Charges, and Expenses of Trustee. The Trustee acknowledges receipt of payment in full from the proceeds of the Bonds for its fees for its Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses paid or incurred, or to be paid or incurred, by it in connection with the provision of Ordinary Services to the date hereof. The Trustee shall be entitled to the payment of its annual charges upon invoice to the Corporation (which pursuant to the Purchase and Use Agreement shall be payable by the County). In the event that it should become necessary to perform Extraordinary Services including any such Extraordinary Services relating to a default or post-default situation, with respect to the Bonds, the Trustee shall be entitled to extra compensation therefor, determined in accordance with the Trustee's then-current fee schedule, and to reimbursement for Extraordinary Expenses incurred in connection therewith.

Without creating a default or an Event of Default, however, the County may contest in good faith the necessity for any Extraordinary Service and Extraordinary Expense.

The Trustee, in that or its other capacities, shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by its negligence or willful misconduct, as determined in a final non-appealable judgement by a court of competent jurisdiction.

Any amounts payable under this Section 6.3 are payable upon demand and shall bear interest from the date of demand therefor at the prime rate quoted from time to time by the banking association serving as Trustee.

The obligation to pay any such fees and expenses shall survive the payment in full or defeasance of the securities or the removal or resignation of the Trustee.

Section 6.4 Intervention by Trustee. The Trustee may, at the written direction of the Holders of at least 51% of the aggregate principal amount of the Outstanding Bonds, intervene in any judicial proceeding to which the Corporation or the County is a party and which in the opinion of the Trustee, upon advice of its counsel, has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that an indemnity bond or other form of indemnity satisfactory to the Trustee be provided to it by the Holders in accordance with Sections 6.1 and 6.2 hereof before it takes action hereunder.

Section 6.5 Successor Trustee. Anything herein to the contrary notwithstanding:

(a) Any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, *ipso facto*, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or Trust Estate hereunder.

(b) Any such corporation or association that becomes a successor Trustee by virtue of the foregoing shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Agreement to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(c) Any successor Trustee, or its parent corporation, however, shall (i) be a trust company or a bank having the powers of a trust company, (ii) be duly authorized to exercise trust powers and in good standing under the laws of the State and, if applicable, the United States, (iii) be subject to examination by federal or State authorities, and (iv) have a reported capital and surplus of not less than \$150,000,000.

Section 6.6 Resignation by Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the County, any Bond Insurer, and the Corporation and by mailing written notice of the resignation to the Holders as their names and addresses appear on the Register at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee and its acceptance of its duties as set forth in Section 6.8 hereof.

Section 6.7 Removal of Trustee. (a) The Trustee may be removed for cause at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the County and the Corporation, and signed by or on behalf of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds.

(b) For so long as no Event of Default has occurred and is continuing hereunder or under the Purchase and Use Agreement, the Corporation at the written direction of the County may remove the Trustee without cause or for no cause upon 30 days written notice.

(c) The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation, the County or the Holders of not less than 51% in aggregate principal amount of the Outstanding Bonds.

(d) At the request of the County, so long as no default exists under the Purchase and Use Agreement and no Event of Nonappropriation has occurred, the Corporation may appoint a successor Trustee as provided in Section 6.8 hereof.

Section 6.8 Appointment of Successor Trustee. (a) If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Corporation (with the agreement of the County if there is no Event of Default and no Event of Nonappropriation under the Purchase and Use Agreement); provided, that if a successor Trustee is not so appointed within ten days after (x) a notice of resignation or any instrument or document of removal is received by the Corporation as provided in Sections 6.6 and 6.7 hereof, respectively, or (y) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Bonds not paid or provided for may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 50 days of the occurrence of any event listed in Section 6.8(a)(i)-(iii) hereof, the Holder of any Outstanding Bond hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. Notwithstanding any other provision of this Trust Agreement to the contrary, no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee hereunder.

(b) Every successor Trustee appointed pursuant to this Section shall (i) be a trust company or bank having the powers of a trust company, (ii) be in good standing within the State and, if applicable, the United States, (iii) be duly authorized to exercise trust powers within the State and, if applicable, the United States, (iv) have a reported capital and surplus of not less than \$75,000,000, and (v) be willing to accept the trusteeship under the terms and conditions of this Trust Agreement.

(c) Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor and to the Corporation and the County an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretion, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor, the Corporation or the County, the predecessor Trustee (i) shall execute and deliver any instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests, and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Corporation be requested by any successor Trustee for vesting and the conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed hereby in or to the predecessor Trustee, the Corporation shall execute, acknowledge and deliver that instrument or document.

(d) In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Trust Agreement and shall cease to act as Paying Agent for the Bonds, the successor Trustee shall become custodian of such moneys and the Paying Agent.

(e) Upon the appointment of a successor Trustee and completion by the predecessor Trustee of the actions required of it under (c) above, the predecessor Trustee shall not be liable for any acts of its successor.

Section 6.9 Dealing in Bonds. The Trustee and its affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owner of any Bond or Bonds with the same rights which they would have hereunder if the Trustee did not serve in that capacity.

Section 6.10 Representations, Agreements and Covenants of Trustee. The Trustee hereby represents that it is a banking association duly organized, validly existing and in good standing under the laws of the United States and duly authorized to exercise corporate trust powers in the State, it has an unimpaired reported capital and surplus of not less than \$75,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain unimpaired reported capital and surplus of not less than \$75,000,000. The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee hereunder and under any other instrument or document providing security for the Bonds; provided, nevertheless, that the Trustee shall not be responsible or liable for the performance of or observation of any covenants respecting the maintenance of federal tax exemption of interest with respect to the Bonds in the absence of specific direction in writing from the County or the Corporation and shall not be responsible for ascertaining the requirements of federal tax law with respect thereto.

Section 6.11 Right of Trustee to Pay Taxes and Other Charges. Reference is made to the Purchase and Use Agreement whereby the Corporation is authorized to advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the Facilities and the 2024 Real Property, (ii) for the discharge of mechanic's and other liens relating to the Facilities or the 2024 Real Property, (iii) to obtain and maintain insurance for the Facilities and the 2024 Real Property and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the County fails to do so as required by such Purchase and Use Agreement or the Base Lease. The Trustee may make those advances but shall not be required to do so (and may require indemnification) pursuant to Sections 6.1(e)(iv) hereof, but without prejudice to any rights of the Trustee as assignee of the Corporation against the County for failure of the County to do so.

* * *

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 7.1 Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default hereunder:

(a) Payment of the principal or interest due on any Bond shall not be made when and as such payment shall become due and payable; or

(b) The occurrence and continuance of an Event of Default as defined in Section 8.1 of the Purchase and Use Agreement; or

(c) Any material breach by the Corporation of any representation or warranty made in this Trust Agreement or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Corporation in this Trust Agreement or in the Bonds contained; or

(d) The issuance of an order of relief by the Bankruptcy Court of the United States District Court having valid jurisdiction, granting the Corporation relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) The consent by the Corporation to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, affairs, or assets.

Section 7.2 Notice of Default. In the event the Trustee becomes aware of the occurrence of any of the events described in Section 7.1 above with respect to the Purchase and Use Agreement, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the County, the Bond Insurer and the Corporation, within five days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs of which the Trustee has notice as described in Section 6.2(f) hereof, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Outstanding Bonds as shown by the Register at the close of business 15 days prior to the mailing of that notice.

Section 7.3 Remedies; Rights of Holders.

(a) *General.* Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of any amounts due with respect to the Bonds or the observance and performance of any other covenant, agreement or obligation under this Trust Agreement, the Purchase and Use Agreement (including but not limited to the right to relet the Corporation Facilities as provided in Section 8.2 of the Purchase and Use Agreement) pertaining thereto or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 51% of the aggregate of the principal amount of the Outstanding Bonds, the Trustee (subject to the provisions of Sections 6.1 and 6.2 hereof) shall exercise one or more rights and powers conferred by this Section as the Trustee, upon advice of counsel, deems most expedient in the interests of the Holders of such Bonds.

(b) *Acceleration.* Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then, and in each and every case, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, shall proceed upon the written request of the Holders of not less than 51% in principal amount of the Outstanding Bonds to declare the principal of all Outstanding Bonds, except as noted below, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Trust Agreement or any Supplemental Agreement or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 51% in principal amount of the Outstanding Bonds, by notice in writing delivered to the Trustee and the Corporation, may waive such Event of Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent default.

(c) *Other Remedies.* In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions of Section 7.7 hereof, the Holder of any Outstanding Bond or Trustee may, therefor, at the written direction of such Holder for the equal benefit and protection of all Holders of the Bonds similarly situated:

(i) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the Corporation and require and compel the Corporation to perform and carry out its duties and obligations under this Trust Agreement or enforce any such remedies against the County pursuant to the Purchase and Use Agreement, and require and compel the Corporation to perform and carry out its covenants and agreements with the Bondholders;

(ii) by action or suit in equity require the Corporation to account as if such Corporation were the trustee of an express trust;

(iii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders;

(iv) bring suit upon the Bonds;

(v) take such other action with respect to the Trust Estate, including obtaining the appointment of a receiver, as it may deem appropriate and apply any funds resulting therefrom as if such funds were Revenues; or

(vi) avail itself of any other remedy, whether at law or in equity, as it may determine to be appropriate.

(d) *Remedies Under UCC.* Subject to the terms of the Base Lease, the Trustee may exercise any rights, powers, or remedies it may have as a secured party under the UCC of the State, or other similar laws in effect.

(e) *No Remedy Exclusive, Effect of Delay and Waiver.* No remedy conferred upon or reserved to the Trustee (or to the Holders) by this Trust Agreement is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders now or hereafter existing. No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be deemed to be expedient. No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

(f) *Remedies Under Purchase and Use Agreement and Base Lease.* As the assignee of all right, title and interest of the Corporation in and to the Purchase and Use Agreement and the Base Lease, the Trustee is empowered to enforce each remedy, right and power granted to the Corporation under the Purchase and Use Agreement (except for the Reserved Rights and any other rights specifically reserved to the Corporation) and the Base Lease. In exercising any remedy, right or power under the Purchase and Use Agreement, the Base Lease or this Trust Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee and its counsel, applying the standards described in Sections 6.1 and 6.2 hereof.

Section 7.4 Right of Holders to Direct Proceedings. Anything to the contrary in this Trust Agreement notwithstanding, but subject to Section 12.1 hereof, the Holders of at least a majority in aggregate principal amount of the Outstanding Bonds shall have the right at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Trust Agreement or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of this Trust Agreement, (ii) the Trustee shall be indemnified as provided in Sections 6.1 and 6.2 hereof, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

Section 7.5 Application of Moneys. (a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable any funds received by the Trustee hereunder, after payment of costs and expenses of collection of such funds, shall be applied as follows (provided, however, that amounts on deposit in a subaccount of Acquisition Account or the Reserve Account established for the benefit of a particular series of Bonds shall be available solely with respect to such Bonds):

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference;

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the Persons entitled thereto, without any discrimination or preference;

Third: If, when there is not an Event of Default, the Trustee is required to expend funds to defend itself in a lawsuit which arises under a cause of action attacking the legality of the Bonds, the inclusion of interest earned on the Bonds in the gross income for Federal income tax purposes of a Holder, or the status of the Corporation as issuer, then, in such event the Trustee shall be entitled to a call on the funds for the same kinds of expenses as are described as costs and expenses of collection as described in (b) below; and

Fourth: To the payment of any amounts owing to the Bond Insurer that are not otherwise paid pursuant to *First* and *Second* above.

(b) If the principal of all Outstanding Bonds shall have become or have been declared due and payable, any funds received by the Trustee hereunder, after payment of costs and expenses of collection, shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; provided, however, that amounts on deposit in a subaccount of the Acquisition Account or the Reserve Account established for the benefit of a particular series of Bonds shall be available solely with respect to such Bonds. For purposes hereof, "costs and expenses of collection" shall include such expenses as are necessary for the Trustee to fulfill its obligation of due diligence to protect the interests of the Bondholders in the Trust Estate which may include the Trustee's expenses and fees for its duties administering this Trust Agreement while the Bonds are in default to include its normal fees, additional expenses resulting from managing any of the property forming part of the Trust Estate, expenses of counsel to represent the Trustee, expenses of any and all consultants employed by the Trustee and direct expenses of the Trustee to include the costs of preparing and mailing notices to Bondholders and other parties.

(c) If the principal of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Outstanding Bonds shall later become due or be declared due and payable, moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee upon advice of counsel shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 3.5 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

(e) Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee and all amounts (if any) owed to the Bond Insurer have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the County or as a court of competent jurisdiction may direct.

Section 7.6 Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proofs of claims) under this Trust Agreement or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds subject to the provisions of this Trust Agreement.

Section 7.7 Rights and Remedies of Holders. A Holder of a Bond shall not have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless there has occurred and is continuing an Event of Default of which the Trustee has been notified or is deemed to have notice as provided in Section 6.2(f) hereof; the Holders of at least 51% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have provided indemnity to the Trustee as provided in Sections 6.1 and 6.2 hereof; and the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name. Such notification (or notice), request, opportunity and provision of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Trust Agreement by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceeding shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Outstanding Bonds. Nothing in this Trust Agreement shall affect or impair, however, the right of any Holder to enforce the payment of the principal and interest due

on any Bond owned by that Holder at and after the due date thereof, at the place, from the sources and in the manner expressed in the Bond.

Section 7.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Trust Agreement in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Corporation and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

Section 7.9 Waivers of Events of Default. Except as hereinafter provided, at any time, the Trustee shall waive any Event of Default hereunder and its consequences upon the written request of the Holders of Bonds of least a majority in aggregate principal amount of Bonds Outstanding. There shall not be so waived, however, any Event of Default described in Section 7.1(a) hereof unless at the time of such waiver payments of all amounts then due and payable with respect to the Bonds have been made or provision has been made therefor. In the case of such waiver, or in case any suit, action or proceeding taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned, or determined adversely to it, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

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ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

Section 8.1 Supplemental Agreements Generally. The Corporation and the Trustee may enter into Supplemental Agreements, as provided in this Article and pursuant to the other provisions therefor in this Trust Agreement.

Section 8.2 Supplemental Agreements Not Requiring Consent of Holders. Without the consent of, or notice to, any of the Holders, the Bond Insurer, the Corporation, and the Trustee may enter into Supplemental Agreements which may be for any one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement;

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

(c) To assign or declare additional monies as Revenues under this Trust Agreement;

(d) To accept additional security and instruments and documents of further assurance with respect to the Facilities and the 2024 Real Property;

(e) To add to the covenants, agreements and obligations under this Trust Agreement, other covenants, agreements and obligations to be observed for the protection of the Holders;

(f) To evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under this Trust Agreement and the Bonds;

(g) To permit the use of a Book-Entry System to identify the owner of a proportionate interest in the payments under the Purchase and Use Agreement, whether that proportionate interest was formerly, or could be, evidenced by a tangible security;

(h) To permit the Trustee to comply with any obligations imposed upon it by law;

(i) To specify further the duties and responsibilities of the Trustee;

(j) To achieve compliance of this Trust Agreement with any applicable federal securities or tax law;

(k) To make amendments to the provisions hereof relating to matters under the Code, if, in the opinion of nationally recognized bond counsel selected by the Corporation and approved by the Trustee, those amendments would not cause the interest on the Bonds to become includable in the gross incomes of the recipients thereof for Federal income tax purposes;

(l) To make provision of the issuance of Additional Bonds as provided for herein;

(m) To permit any other amendment which is not to the prejudice of the Trustee (in the judgment of the Trustee), the Bond Insurer, or the Holders; or

(n) To reflect a change in law.

The provisions of paragraphs (h), (j) and (n) above shall not be deemed to constitute a waiver by the Trustee or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to this Trust Agreement or the Bonds.

Section 8.3 Supplemental Agreements Requiring Consent of Holders. Exclusive of Supplemental Agreements to which reference is made in Section 8.2 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds at such time, evidenced as provided in this Trust Agreement and the prior written consent of the Bond Insurer, the Corporation and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of this Trust Agreement or any Supplemental Agreement or restricting in any manner the rights of the Holders. Nothing in this Section or Section 8.2 hereof shall, however, be construed as permitting:

(a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Outstanding Bonds, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Agreement; provided, however, that the establishment of an escrow for the defeasance of a portion of the Bonds shall not be deemed to constitute the creation of a privilege or priority for the benefit of the Bonds to be defeased.

If the Corporation shall request that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses and liability in connection therewith, and (ii) if required by Section 8.4 hereof, receipt of the County's consent to the proposed execution and delivery of the Supplemental Agreement, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Agreement to be mailed by first class mail, postage prepaid, to all Holders of Outstanding Bonds at their addresses as they appear on the Register at the close of business on the 15th day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Agreement when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Agreement and shall state that copies thereof are on file at the principal trust office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period described by the Trustee at the written direction of the Corporation of not less than 60 days but not exceeding one year, following the mailing of

the notice, an instrument or document or instruments or documents (which instrument or document or instruments or documents shall refer to the proposed Supplemental Agreement in the form described in the notice), by which the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds consent to the execution of such Supplemental Agreement, the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Agreement in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond executed and delivered in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Agreement). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the County a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Outstanding Bonds shall have consented to the Supplemental Agreement, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Agreement, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee from that execution or delivery or from taking any action pursuant to the provisions thereof.

Notwithstanding any other provision of this Trust Agreement, for so long as the underwriter or other purchaser of any Bonds issued pursuant to this Trust Agreement is the registered holder or beneficial owner of such Bonds, such underwriter or purchaser is authorized to assent to and consent to any amendments to this Trust Agreement in the same manner and to the extent as the Holders of such Bonds.

Section 8.4 Consent of County. Anything contained herein to the contrary notwithstanding, a Supplemental Agreement executed and delivered in accordance with this Article VIII which affects any rights or obligations of the County shall not become effective unless and until the County shall have consented in writing to the execution and delivery of that Supplemental Agreement. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Agreement and a copy of the proposed Supplemental Agreement to be mailed to the County, as provided in Section 13.3 hereof, (i) at least 30 days (unless waived in writing by the County) before the date of the proposed execution and delivery in the case of a Supplemental Agreement to which reference is made in Section 8.2 hereof, and (ii) at least 30 days (unless waived in writing by the County) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Agreement for which provision is made in Section 8.3 hereof.

Section 8.5 Authorization to Trustee; Effect of Supplemental Agreement. The Trustee is authorized to join with the Corporation in the execution and delivery of any Supplemental Agreement in accordance with this Article and to make the further agreements and stipulations which may be contained therein with the following effect:

- (a) That Supplemental Agreement shall form a part of this Trust Agreement;
- (b) All terms and conditions contained in that Supplemental Agreement as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Trust Agreement for any and all purposes;
- (c) This Trust Agreement shall be deemed to be modified and amended in accordance with the Supplemental Agreement; and
- (d) The respective rights, duties and obligations under this Trust Agreement of the Corporation, the Trustee and all Holders of Outstanding Bonds shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Agreement.

Express reference to any executed and delivered Supplemental Agreement may be made in the text of any Bonds executed and delivered thereafter, if that reference is deemed necessary or desirable by the Corporation. The Trustee shall not be required to execute a Supplemental Agreement containing provisions, which, in the opinion of the Trustee or its counsel, are adverse to the Trustee.

Section 8.6 Favorable Opinion of Bond Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, a Favorable Opinion of Bond Counsel in connection with any proposed Supplemental Agreement. Prior to taking any action hereunder, the Trustee shall be entitled to assurance as to the payment of the fees and expenses of any counsel providing such opinion.

Section 8.7 Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Trust Agreement, the rights and obligations of the Trustee and of the Holders of the Bonds, and the terms and provisions of the Bonds and this Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of (i) the Trustee, (ii) the Holders of all of the Outstanding Bonds and the Bond Insurer, and (iii) if required by Section 8.4 hereof, the County.

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ARTICLE IX

DEFEASANCE

Section 9.1 Defeasance. (a) When the principal of and interest on, or redemption price (as the case may be) of, any of the Bonds issued hereunder has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the Corporation and the County (including but not limited to amounts (if any) owed to the Bond Insurer), the right, title and interest of the Trustee with respect to such Bonds shall thereupon cease and the Trustee shall release this Trust Agreement and shall execute such documents to evidence such releases as may be reasonably required by the Corporation and shall turn over to the Corporation or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder; provided, however, that the County shall in all events remain liable under the Purchase and Use Agreement (subject to Section 4.7 thereof) until all amounts due and owing thereunder have been paid.

(b) Provision for the payment of the Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, under the provisions hereof

(i) cash in an amount sufficient to make all payments specified above with respect to all of such Bonds,

(ii) Defeasance Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all payments specified above with respect to such Bonds, or

(iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Bonds; provided that, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements hereof.

(c) Neither the obligations nor the moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal or redemption price of, and interest on, said Bonds.

(d) Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which such moneys or obligations are being held, to the Holders of such Bonds.

Section 9.2 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Trust Agreement which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer, and registration of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and payments to the County from the Bond Fund pertaining to the

Purchase and Use Agreement and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Holders, notwithstanding, the release and discharge of this Trust Agreement. The provisions of this Article shall survive the release, discharge, and satisfaction of this Trust Agreement.

* * *

ARTICLE X

ADDITIONAL COVENANTS AND AGREEMENTS OF THE TRUSTEE

Section 10.1 Additional Covenants and Agreements of the Trustee. In addition to any other covenants and agreements of the Trustee in this Trust Agreement, the Trustee further covenants and agrees for the benefit of the Holders as follows:

(a) *Register.* At reasonable times and under reasonable regulations established by the Trustee, the Register for the Bonds may be inspected and copied by the Corporation, the County or Holders of 51% or more in principal amount of the Outstanding Bonds, or a designated representative therefor.

(b) *Rights and Enforcement of Base Lease and Purchase and Use Agreement.* The Trustee may and shall enforce, in its name, all rights of the Corporation under the Base Lease and the Purchase and Use Agreement for and on behalf of the Holders. The Trustee covenants and agrees to perform all obligations and duties imposed on it by assignment hereunder, and to enforce all covenants, agreements, and obligations of the County under and pursuant to the Base Lease and the Purchase and Use Agreement. The Trustee will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Base Lease and the Purchase and Use Agreement, and will take all actions within its authority to keep the Base Lease and the Purchase and Use Agreement in effect in accordance with the terms thereof. The Trustee's obligations under this paragraph are subject to the provisions of Section 7.3(f) hereof.

Section 10.2 Observance and Performance of Covenants, Agreements, Authority and Actions. The Trustee will observe, and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations, and provisions to be observed or performed on its part under this Trust Agreement and the Bonds.

The Trustee represents and warrants that (i) it is duly authorized to execute and deliver this Trust Agreement and to perform its obligations hereunder in the manner and to the extent set forth in this Trust Agreement and, (ii) all actions required on its part to be performed for the execution and delivery of the Bonds and this Trust Agreement have been or will be taken duly and effectively.

* * *

ARTICLE XI

AMENDMENTS TO BASE LEASE AND PURCHASE AND USE AGREEMENT

Section 11.1 Amendments Not Requiring Consent of Holders. Without the consent of or notice to the Holders, the Trustee, as trustee and as lessee by assignment, at the written direction of the Corporation, shall consent to any amendment, change or modification of the Base Lease and the Purchase and Use Agreement as may be required (i) by the provisions of the Base Lease, the Purchase and Use Agreement or this Trust Agreement, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Base Lease or the Purchase and Use Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Trust Agreement pursuant to Section 8.2 hereof, (iv) in connection with the issuance of Additional Bonds as provided for herein, or (v) in connection with any other change therein which is not to the prejudice of the Trustee (in the judgment of the Trustee) or the Holders. No such consent or notice to the Holders shall be required with respect to any amendment to add to the description of the 2024 Real Property any property owned or to be acquired by the County (including Additional Real Property) that becomes a part thereof or, except as provided therein, in connection with the granting of easements and releases, modifications and substitutions of property pursuant to Section 3.6 of the Base Lease or Section 5.1(c) of the Purchase and Use Agreement.

Section 11.2 Amendments Requiring Consent of Holders. Except for the amendments, changes, or modification contemplated in Section 11.1 hereof, the Trustee shall not consent to:

(a) Any amendment, change or modification of the Purchase and Use Agreement which would change the amount or time as of which Base Payments are required to be paid without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of all of the Outstanding Bonds; provided that this requirement shall not apply to amendments that modify Installment Payments under the Purchase and Use Agreement to provide for Additional Bonds hereunder; or

(b) Any amendment, change or modification of the Purchase and Use Agreement without the giving of notice as provided in this section of the proposed amendment, change or modification and the receipt of the written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds.

The consent of the Holders shall be obtained as provided in Section 8.3 hereof with respect to Supplemental Agreements. If the County shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Purchase and Use Agreement contemplated in subsections (a) or (b), upon being indemnified satisfactorily with respect to expenses and liability, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 8.3 hereof with respect to notice of Supplemental Agreements. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that the copies of the instrument or document embodying it are on file at the designated corporate trust office of the Trustee for inspection by all Holders.

Notwithstanding any other provision of this Trust Agreement, but subject to the Bond Insurer's rights in the Base Lease and the Purchase and Use Agreement, for so long as the

underwriter or other purchaser of any Bonds issued pursuant to this Trust Agreement is the registered holder or beneficial owner of such Bonds, such underwriter or purchaser is authorized to assent to and consent to any amendments to the Base Lease and the Purchase and Use Agreement in the same manner and to the same extent as the Holders of such Bonds.

* * *

ARTICLE XII

PROVISIONS RELATED TO INSURANCE POLICY

Section 12.1 Insurance Policy and Special Provisions Required Thereby. So long as there shall be Series 2024 Bonds Outstanding and no Insurer Default has occurred and is continuing, the Corporation has covenanted, notwithstanding anything in this Trust Agreement (including specifically Section 3.18 hereof) to the contrary, to the Bond Insurer as follows:

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2024 Reserve Sub-Account in the Reserve Account. Notwithstanding anything to the contrary set forth in this Trust Agreement, amounts on deposit in the 2024 Reserve Sub-Account in the Reserve Account shall be applied solely to the payment of debt service due on the Series 2024 Bonds.

(b) The Bond Insurer shall be deemed to be the sole Holder of the Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Series 2024 Bonds are entitled to take pursuant to this Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Trust Agreement and each Series 2024 Bond, each Holder of the Series 2024 Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Series 2024 Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Corporation or the County under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “*Insolvency Proceeding*”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “*Claim*”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Holder of the Series 2024 Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Holder of the Series 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Holder of the Series 2024 Bonds for the Bond Insurer’s benefit, and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Holders shall expressly include mandamus.

(c) The maturity of Series 2024 Bonds shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Series 2024 Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Corporation) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer’s obligations under the Insurance Policy with respect to such Series 2024 Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(e) The Bond Insurer is a third party beneficiary of this Trust Agreement.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Series 2024 Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of this Trust Agreement which permits the purchase of Series 2024 Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Series 2024 Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, this Trust Agreement that requires the consent of Holders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(h) The rights granted to the Bond Insurer under this Trust Agreement or any other transaction document, including any underlying security agreement (each a “**Related Document**”) to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Holders or any other person is required in addition to the consent of the Bond Insurer.

(i) Only Defeasance Obligations shall be used to effect defeasance of the Series 2024 Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance of the Series 2024 Bonds, the Corporation shall cause to be delivered to the Bond Insurer (i) a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Series 2024 Bonds in full on the maturity or redemption date (“**Verification**”), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Series 2024 Bonds are no longer “Outstanding” under this Trust Agreement and (iv) a certificate of discharge of the Trustee with respect to the Series 2024 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Corporation, the Trustee and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above referenced documentation not less than five Business Days prior to the funding of the escrow.

Series 2024 Bonds shall be deemed “Outstanding” under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Bond Insurer under the Insurance Policy shall not be deemed paid for purposes of this Trust Agreement and the Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Corporation in accordance

with this Trust Agreement. This Trust Agreement shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(k) Each of the Corporation and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(l) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Corporation to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(m) The Corporation shall pay or reimburse, or cause the County to pay pursuant to the Purchase and Use Agreement, the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Trust Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Trust Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Trust Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Trust Agreement or any other Related Document.

(n) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Corporation or rebate only after the payment of past due and current debt service on the Series 2024 Bonds and amounts required to restore the 2024 Reserve Sub-Account to the 2024 Reserve Requirement.

(o) The Bond Insurer shall be entitled to pay principal or interest on the Series 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Corporation (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2024 Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(p) The Bond Insurer shall be provided with the following information by the Corporation or the Trustee, as the case may be:

1. Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 2024 Bonds and any Additional Bonds secured by the Reserve Account;

2. Notice of any default known to the Trustee or the Corporation within five Business Days after knowledge thereof;

3. Prior notice of the advance refunding or redemption of any of the Series 2024 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

4. Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

5. Notice of the commencement of any Insolvency Proceeding (as defined in Section 12.1(b) above);

6. Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2024 Bonds;

7. A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

8. All reports, notices and correspondence to be delivered to Holders under the terms of the Related Documents.

(q) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(r) The Corporation will permit the Bond Insurer to discuss the affairs, finances and accounts of the Corporation or any information the Bond Insurer may reasonably request regarding the security for the Series 2024 Bonds with appropriate officers of the Corporation and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Corporation on any Business Day upon reasonable prior notice.

(s) The Trustee, upon written notice of default, shall notify the Bond Insurer of any known failure of the Corporation or the County to provide notices, certificates and other information under the Related Documents.

(t) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Trust Agreement, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Account is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

(u) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Trust Agreement would adversely affect the security for the Series 2024 Bonds or the rights of the Holders, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

(v) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Series 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(w) Neither the Corporation nor the County shall enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Trust Estate without the prior written consent of the Bond Insurer.

Section 12.2 Claims Upon the Insurance Policy.

If, on the third Business Day prior to the related scheduled Interest Payment Date or Principal Payment Date there is not on deposit with the Trustee, after making all transfers and deposits required under this Trust Agreement **Error! Reference source not found.**, moneys sufficient to pay the principal of and interest on the Series 2024 Bonds due on such Bond Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “*Bond Insurer’s Fiscal Agent*”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Bond Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2024 Bonds due on such Bond Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2024 Bonds and the amount required to pay principal of the Series 2024 Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Series 2024 Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2024 Bonds registered to the then current Holder of the Series 2024 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2024 Bond to the Bond Insurer, registered in the name of [BOND INSURER], in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Series 2024 Bond shall have no effect on the amount of principal or interest payable by the Corporation on any Series 2024 Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2024 Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee; provided however, the Trustee shall have no liability to the Bond Insurer with respect thereto.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Holders of the Series 2024 Bonds referred to herein as the “**Policy Payments Account**” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Holders of the Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Holders of the Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2024 Bonds under the sections of this Trust Agreement regarding payment of Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in this Trust Agreement to the contrary, the Corporation agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Insurance Policy (the “**Insurer Advances**”); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the “**Insurer Reimbursement Amounts**”). “**Late Payment Rate**” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Corporation hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Holders of the Series 2024 Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer.

* * *

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Limitation of Rights. With the exception of rights conferred expressly in this Trust Agreement, nothing expressed or mentioned in or to be implied from the Base Lease, the Purchase and Use Agreement or the Bonds is intended or shall be construed to give to any Person and the parties hereto and the Holders of the Bonds and the Bond Insurer any legal or equitable right, remedy, power or claim under or with respect to this Trust Agreement or any covenants, agreements, conditions and provisions contained herein. This Trust Agreement and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds and the Bond Insurer as provided herein.

Section 13.2 Severability. In case any section or provision of this Trust Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein and shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

Section 13.3 Notices. Except as provided in Section 7.2 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is mailed by first class mail, postage prepaid. Notices to the Corporation, the County, the Bond Insurer and the Trustee shall be addressed as follows:

If to the County:

Laurens County, South Carolina
Attn: County Administrator
100 Hillcrest Square
Laurens, SC 29360

If to the Corporation:

Laurens County Public Facilities Corporation
Attn: President
100 Hillcrest Square
Laurens, SC 29360
(with copy to the County as described above)

If to the Trustee:

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29203
Attention: Corporate Trust Department

If to the Bond Insurer:

[BOND INSURER NAME]
[BOND INSURER ADDRESS]
Attention: _____
Re: Policy No. _____
Telephone: (_____
E-mail: _____

In each case in which the notice or other communication refers to a claim on the Policy or an Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at _____.

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the Trustee, the Bond Insurer or the County to one or more of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent.

In connection with any notice mailed pursuant to the provisions of this Trust Agreement, a certificate of the Trustee, the Corporation, the County, the Bond Insurer or the Holders of the Bonds, whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement, the Base Lease, the Purchase and Use Agreement or any other document reasonably relating to the Bonds sent by the County or the Corporation, as the case may be, by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the County and the Corporation, respectively, shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the County or the Corporation, as applicable, elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The County and the Corporation, as applicable, agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk

of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 13.4 Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Trust Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of the Purchase and Use Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

Section 13.5 Payments Due on Saturdays, Sundays and Holidays. If any Bond Payment Date, redemption date or date of maturity of the principal of any Bonds is not a Business Day, then payment of interest, redemption premium (if any) or principal need not be made by the Trustee on that date, and that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Bond Payment Date, redemption date or date of maturity and no interest shall accrue for the period after that date.

Section 13.6 Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Trust Agreement to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Trust Agreement, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(a) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) The fact of ownership of Bonds shall be proved by the Register.

Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Bond shall bind every future Holder of the same Bond, with respect to anything done or suffered to be done by the Corporation or the Trustee pursuant to that writing.

Section 13.7 Priority of this Trust Agreement. This Trust Agreement and the lien created hereby shall be superior to any other liens which may be placed upon the Revenues or any

Funds (or Accounts therein) created pursuant hereto, except such liens as may be required or mandated by applicable law.

Section 13.8 Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Trustee contained in this Trust Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the Trustee as such to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the Trustee contained in this Trust Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future member, officer, director, attorney, agent or employee of the Trustee or the Corporation in other than that person's official capacity. No official executing the Bonds, this Trust Agreement or any amendment or supplement hereto or thereto, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reasons of the issuance or execution hereof or thereof.

Section 13.9 Continuing Disclosure. The County has covenanted in the Purchase and Use Agreement to provide information under Rule 15c2-12 (as defined in the Purchase and Use Agreement).

Section 13.10 Binding Effect. This Trust Agreement shall inure to the benefit of and shall be binding upon the Corporation and upon the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 13.11 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 13.12 Governing Law. This Trust Agreement and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 13.13 Limitation of Liability of Corporation. All payments to be made by the Corporation or obligations of the Corporation hereunder are payable solely from the Trust Estate and Revenues derived therefrom.

* * *

(Signature Page Follows)

IN WITNESS WHEREOF, the Corporation has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer, effective as of [Closing Date].

**LAURENS COUNTY PUBLIC FACILITIES
CORPORATION**

(SEAL)

Attest:

By: _____
Barton Holmes, President

Cheyenne G. Noffz, Secretary

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

By: _____
Natalie M. Charles, Vice President

[FORM OF SERIES 2024 BONDS]

Registered
No. R-1

\$ _____

LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	September 1, _____	_____, 2024	_____

Holder: CEDE & CO.

Principal Amount: _____ DOLLARS

Laurens County Public Facilities Corporation (the “*Corporation*”), a nonprofit corporation organized and existing under the laws of the State of South Carolina (the “*State*”), for value received hereby acknowledges itself obligated to, and promises to pay the Holder identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, on the Maturity Date set forth above, and to pay interest on the unpaid balance of said sum from the most recent March 1 or September 1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above (calculated on the basis of a 360-day year of twelve 30-day months) payable on March 1 and September 1 (each a “*Bond Payment Date*”) of each year commencing September 1, 2024, until the Corporation’s obligation with respect to payment of the principal amount is discharged.

Interest is payable to the person in whose name this bond is registered at the close of business on the 15th day next preceding each Bond Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this bond is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the Holder in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the Holders of the Bonds not less than five days prior to such special record date to Holder thereof at the address as it appears on the bond register not less than ten days preceding such special record date. If the Trustee registers the transfer of this bond subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of

defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the bond or bonds.

Principal of and interest on this bond are payable in lawful money of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check or draft drawn upon U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), and mailed to the person entitled thereto. Principal, when due, shall be paid upon surrender of this bond at the designated corporate trust office of the Trustee in Columbia, South Carolina. At the written request addressed to the Trustee or the Holder of the Bonds in the aggregate principal amount of at least \$1,000,000, interest and redemptions of principal shall be paid by wire transfer or other means acceptable to the Trustee to an account within the continental United States by prior written instructions filed with the Trustee not later than the Record Date for such purpose.

This bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to \$[PAR] and designated as “Laurens County Public Facilities Corporation, Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “*Bonds*”), issued under a Trust Agreement, dated as of [May 1, 2024] (the “*Trust Agreement*”), between the Corporation and the Trustee, to provide funds (i) to defray the cost of the 2024 Project (as defined in the Trust Agreement), (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on the Insurance Policy. Any terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Trust Agreement.

The County Council of the County has enacted an ordinance, dated April 8, 2024, approving the Corporation and the issuance of the Bonds by the Corporation. The County has leased the real property on which the Facilities (as defined in the hereinafter defined Purchase and Use Agreement) are located to the Corporation under the terms of a Base Lease Agreement dated as of [May 1, 2024] (the “*Base Lease*”).

The Bonds and the interest thereon and redemption premium, if any, shall be an obligation of the Corporation, and shall be secured by and payable from the Trust Estate (as defined in the Trust Agreement). The Bonds do not and shall not be deemed to constitute or create an indebtedness, liability or obligation of County within the meaning of any State constitutional provision or statutory limitation or a pledge of the faith and credit of the County. The Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holder, from time to time, of the Bonds.

Pursuant to the Trust Agreement, the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the Trust Estate which includes the Revenues (as defined in the Trust Agreement) consisting of the Installment Payments (as defined in the Trust Agreement) payable by the County under the Installment Purchase and Use Agreement dated as of [May 1, 2024] (the “*Purchase and Use Agreement*”), between the Corporation and the County, any other sums arising under the Purchase and Use Agreement, amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement and the investment income therefrom. The Trust Agreement further provides that the Corporation may issue additional bonds

secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the extent described in the Trust Agreement. The County's obligation to pay Installment Payments under the Purchase and Use Agreement is subject to annual appropriations and the obligation may be terminated at the end of any fiscal year of the County by an Event of Nonappropriation (as defined in the Purchase and Use Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE COUNTY MAY TERMINATE THE PURCHASE AND USE AGREEMENT AS OF THE END OF THE FISCAL YEAR DURING WHICH SUCH EVENT OF NONAPPROPRIATION OCCURS, AND THE COUNTY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS BEYOND THE END OF SUCH FISCAL YEAR.

Counterparts or copies of the Trust Agreement, the Purchase and Use Agreement, the Base Lease and the other documents referred to herein are on file at the corporate trust office of the Trustee in Columbia, South Carolina, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Corporation, the County, the Trustee and the Holder of the Bonds under such documents, the security for the Bonds and the conditions under which additional bonds may be issued thereunder to all of which the Holder hereof, by acceptance of this bond, assents.

The Bonds are subject to redemption prior to maturity as provided in the Trust Agreement, and as described in the following lettered paragraphs:

(a) In the event the County exercises its option pursuant to the Purchase and Use Agreement to prepay Base Payments, the Bonds maturing after September 1, 20__, will be redeemed in whole on any date or in part on any date, on or after September 1, 20__, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

(b) In the event the County elects to prepay Installment Payments pursuant to Section 7.3 of the Purchase and Use Agreement, the Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee at the direction of the Corporation), at a price equal to 100% of the principal amount of the Bonds so redeemed, without premium, plus accrued interest to the date of redemption.

(c) The Series 2024 Bonds maturing on September 1, 20__ (the “*Term Bonds*”), shall be subject to mandatory sinking fund redemption commencing September 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on September 1, of each of the following years in the respective principal amounts for each year specified below:

<u>Year</u>	<u>Principal Amount</u>
-------------	-----------------------------

* Final Maturity

The amounts of any mandatory sinking fund redemptions set forth above will be reduced to the extent the Term Bonds have been purchased by the County or redeemed by the County pursuant to the optional redemption provisions described above, in such manner as the County directs or, absent such direction, on a pro-rata basis.

Notice of redemption shall be given by the Trustee by first class mail, postage prepaid, to the Holders of the Bonds to be redeemed at their addresses appearing on the Register maintained by the Trustee, said mailing to be not less than 30 days, but not more than 60 days, prior to the redemption date. Failure of the Trustee to give any notice of redemption or any defects in such notice shall not affect the validity of the redemption of any other Bonds.

The Holder of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Upon the occurrence of certain Events of Default (as defined in the Trust Agreement), all Bonds may be declared immediately due and payable and thereupon shall become and be immediately due and payable as provided in the Trust Agreement.

The Bonds are issuable only in fully registered form. Subject to the limitations provided for in the Trust Agreement, this bond may be exchanged for a like aggregate principal amount payable at maturity of Bonds of the same maturity, principal amount and interest rate in authorized denominations.

The Bonds are transferable by the Holder thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this bond. Upon such transfer a new Bond or Bonds of the same maturity and interest rate and in authorized denominations for the same aggregate principal amount and interest rate payable at maturity will be issued to the transferee in exchange. The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to

pay any taxes and fees required by law or permitted by the Trust Agreement in connection with the exchange or transfer. The Trustee need not exchange or register the transfer of a Bond which has been selected for redemption and need not exchange or register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed or before any June 1 or December 1. The Corporation, the County, the Trustee and any paying agent may treat the Holder of this bond as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

Under the laws of the State, this Bond and the income herefrom are exempt from all State, City, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond have existed, have happened and have been performed in due form, time and manner as required by law.

IN WITNESS WHEREOF, the Corporation has caused this bond to be executed and attested by the manual signatures of its duly authorized officers, and this bond to be authenticated by the manual signature of an authorized representative of the Trustee, without which authentication this bond shall not be valid nor entitled to the benefits of the Trust Agreement.

**LAURENS COUNTY PUBLIC
FACILITIES CORPORATION**

(SEAL)

Attest:

By: _____
Barton Holmes, President

Cheyenne G. Noffz, Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Trustee hereby certifies that this is one of the Bonds described in the within mentioned Trust Agreement.

Date of Authentication: _____, 2024

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

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

(please print or type name and address of Transferee of Transferee)

the within Bond and all rights and title 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.

Signature

(Authorized Officer)

Dated:

STATEMENT OF INSURANCE

[BOND INSURER], New York, New York, has delivered its municipal bond insurance policy (the “*Policy*”) with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National Association, Columbia, South Carolina, or its successor, as paying agent for the Bonds (the “*Paying Agent*”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [BOND INSURER] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [BOND INSURER] as more fully set forth in the Policy.

[FORM OF REQUISITION]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29203
Attention: Corporate Trust Department

Re: \$[PAR] Laurens County Public Facilities Corporation Installment Purchase
Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of [May 1, 2024] (the “*Trust Agreement*”), between you and Laurens County Public Facilities Corporation (the “*Corporation*”) and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of \$_____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Included herewith is documentation supporting the payments requested herein.

In this connection, we further certify to you as follows:

1. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2024 Project that are properly capitalizable into the cost of acquiring tangible real or tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.

2. All representations and warranties of Laurens County, South Carolina (the “*County*”) and the Corporation, as the case may be, in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

3. Neither the County nor the Corporation, as the case may be, is in default in any material respects under any provisions of the Purchase and Use Agreement.

Dated this ____ day of _____, 20__.

LAURENS COUNTY, SOUTH CAROLINA

By: _____
County Representative

LAURENS COUNTY PUBLIC FACILITIES
CORPORATION

By: _____
Corporation Representative

[FORM OF FINAL REQUISITION]

DIRECTION TO MAKE FINAL DISBURSEMENT

Requisition No. _____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29203
Attention: Corporate Trust Department

Re: \$[PAR] Laurens County Public Facilities Corporation Installment Purchase
Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of [May 1, 2024] (the “*Trust Agreement*”), between you and Laurens County Public Facilities Corporation (the “*Corporation*”) and in accordance with the provisions of Section 5.3(c) of the Trust Agreement, you are hereby directed to disburse from the Project Fund, the total sum of \$ _____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Said sum represents the final requisition from said Project Fund. Included herewith is documentation supporting the payments requested herein.

In this connection, we further certify to you as follows:

1. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2024 Project that are properly capitalizable into the cost of acquiring tangible real and tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.
2. All representations and warranties of Laurens County, South Carolina (the “*County*”) and the Corporation, as the case may be, in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.
3. Neither the County nor the Corporation, as the case may be, is in default in any material respects under any provisions of the Purchase and Use Agreement.
4. The 2024 Project is free and clear of all liens and encumbrances for labor or materials furnished by the Corporation and all contractors, subcontractors, and materialmen retained by the County and all contractors, subcontractors and materialmen performing work on

the 2024 Project have been, or upon receipt by the County of the payment of the final requisition request will be, paid in full, except for those the Corporation is contesting in good faith and with due diligence as permitted under the Purchase and Use Agreement.

We further certify to you that the 2024 Project has been substantially completed in accordance with the terms and conditions of the Purchase and Use Agreement, and that the 2024 Project as completed complies in all material respects with all applicable governmental regulations.

Dated this ____ day of _____, 20__.

LAURENS COUNTY, SOUTH CAROLINA

By: _____
County Representative

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

By: _____
Corporation Representative

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

BASE LEASE AGREEMENT

BASE LEASE AGREEMENT

between

LAURENS COUNTY, SOUTH CAROLINA
as lessor

and

LAURENS COUNTY PUBLIC FACILITIES CORPORATION
as lessee

Dated as of [May 1, 2024]

All right, title and interest of Laurens County Public Facilities Corporation in this Base Lease Agreement have been assigned to U.S. Bank Trust Company, National Association, as Trustee under the Trust Agreement dated of even date herewith, and are subject to the security interest of the Trustee.

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BASE LEASE AGREEMENT

This BASE LEASE AGREEMENT dated as of [May 1, 2024] (this “*Base Lease*”) is made and entered into by and between LAURENS COUNTY PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the “*Corporation*”), a South Carolina nonprofit corporation, as lessee, and LAURENS COUNTY, SOUTH CAROLINA (the “*County*”), a political subdivision of the State of South Carolina (the “*State*”), as lessor.

WITNESSETH:

WHEREAS, the Corporation is a nonprofit corporation formed under the provisions of Title 33, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”);

WHEREAS, the County is a political subdivision of the State and is authorized under the provisions of Title 4, Chapter 9, Article 1 of the South Carolina Code, to enter into this Base Lease;

WHEREAS, the County is the owner of the 2024 Real Property (as defined herein);

WHEREAS, the County desires to lease the 2024 Real Property to the Corporation so that the Corporation may provide for the 2024 Project (as defined in the hereinafter defined Purchase and Use Agreement) with the proceeds of the Series 2024 Bonds (as defined in the hereinafter defined Trust Agreement);

WHEREAS, the Facilities (as defined in the Purchase and Use Agreement) will be sold by the Corporation to the County under the terms of an Installment Purchase and Use Agreement dated as of [May 1, 2024] (the “*Purchase and Use Agreement*”) between the Corporation and the County;

WHEREAS, the payments to be made under the Purchase and Use Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), pursuant to the terms of a Trust Agreement dated as of [May 1, 2024] (the “*Trust Agreement*”), between the Corporation and the Trustee, in order to secure and provide a source of payment for certain bonds, the proceeds of which are to be used for the purposes described above and in the Trust Agreement; and

WHEREAS, the County and the Corporation desire to enter into this Base Lease in order to achieve the foregoing purposes.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements, the County and the Corporation do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions of Words and Terms. Capitalized terms not otherwise defined herein are used with the meanings provided therefor in the Trust Agreement or the Purchase and Use Agreement, unless some other meaning is plainly intended. In addition, the following terms shall have the meanings set forth below, unless some other meaning is plainly intended:

“**2024 Project**” has the meaning set forth in the Purchase and Use Agreement.

“**2024 Real Property**” means the real property, absent any improvements thereon, on which the 2024 Project is or will be located, as described in Exhibit A hereto.

“**Act**” means Title 4, Chapter 9, Article 1 of the Code of Laws of South Carolina 1976, as amended.

“**Additional Real Property**” means any real property made subject to this Base Lease pursuant to any supplement hereto.

“**Base Lease Rent**” means the amount set forth in Section 3.4 of this Base Lease.

“**Base Lease Term**” means the term of this Base Lease which begins on [Closing Date], and ends on the earlier of (i) September 1, 2059, or (ii) the date on which the Series 2024 Bonds are discharged within the meaning of Section 3.19(d) of the Trust Agreement.

“**Corporation**” means Laurens County Public Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

“**County**” means Laurens County, South Carolina.

“**County Council**” means the County Council of Laurens County, as the governing body of the County, and any successor body.

“**Event of Default**” means (a) with respect to the Purchase and Use Agreement, any Event of Default as defined in Section 8.1 of the Purchase and Use Agreement, and (b) with respect to the Trust Agreement, any Event of Default as defined in Section 7.1 of the Trust Agreement.

“**Existing Facilities**” means those certain improvements presently existing on the 2024 Real Property, as described in Exhibit B hereto, and does not include any real property.

“**Facilities**” has the meaning given such term in the Purchase and Use Agreement.

“**Installment Payments**” means those payments required to be made by the County by Sections 4.1, 4.2, and 4.4 of the Purchase and Use Agreement.

“**Ordinance**” means that ordinance enacted by the County Council on April 8, 2024, authorizing the County’s execution and delivery of this Base Lease and the Purchase and Use Agreement and consenting to the Trust Agreement.

“Purchase and Use Agreement” means the Installment Purchase and Use Agreement dated of even date herewith between the Corporation and the County.

“State” means the State of South Carolina.

“Trust Agreement” means the Trust Agreement dated of even date herewith between the Corporation and the Trustee.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States, and its successor or successors and any other trustee which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Trust Agreement.

Section 1.2 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document. Three asterisks mark the end of each Article.

Section 1.3 Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by accounting principles generally accepted in the United States as from time to time in effect.

* * *

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the County. The County represents, warrants and covenants as follows:

- (a) The County is a political subdivision of the State.
- (b) The conveyance of the Existing Facilities from the County to the Corporation and the demise and lease of the 2024 Real Property by the County to the Corporation, as provided in this Base Lease, in order to allow the Corporation (i) to undertake the 2024 Project, (ii) to provide for the issuance of the Series 2024 Bonds, and (iii) to provide for the sale of the Facilities to the County pursuant to the Purchase and Use Agreement, have been undertaken in order to enable the County to continue to provide suitable public facilities in the County.
- (c) The County Council has full power and authority to enact the Ordinance and the County has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.
- (d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound.
- (e) The County has not made, done, executed, or suffered, and warrants that it will not make, do, execute, or suffer, any act or thing whereby the County's interests in the 2024 Real Property and the Facilities shall be or may be impaired, changed, or encumbered in any manner whatsoever except as permitted by this Base Lease or the Purchase and Use Agreement.
- (f) The County has good, valid, and marketable title to and is the fee owner of the 2024 Real Property existing on the date hereof. Prior to the conveyance of the Existing Facilities to the Corporation pursuant to Section 3.1 hereof, any improvements on the 2024 Real Property existing on the date hereof are free and clear of all liens, encumbrances, and restrictions (including, without limitation, leases) other than Permitted Encumbrances (as defined in the Purchase and Use Agreement). To the extent permitted by law, the County further binds itself to warrant and forever defend the 2024 Real Property, and the Facilities and improvements thereon, unto the Corporation, its successors and assigns, against the County and its assigns and against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

Section 2.2 Representations by the Corporation. The Corporation represents, warrants and covenants as follows:

- (a) The Corporation is a nonprofit corporation duly incorporated under the laws of the State and has corporate power to enter into this Base Lease, the Purchase and Use Agreement and the Trust Agreement. By proper corporate action, the officers of the Corporation have been duly authorized to execute and deliver this Base Lease, the Purchase and Use Agreement and the Trust Agreement.

(b) The execution and delivery of this Base Lease, the Purchase and Use Agreement, and the Trust Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note, or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

(c) To provide funds to defray the costs of the 2024 Project and for such other purposes as are described in the Trust Agreement, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2024 Bonds payable from and secured by the Installment Payments under the Purchase and Use Agreement.

* * *

ARTICLE III

CONVEYANCE AND LEASE OF THE 2024 REAL PROPERTY AND CONVEYANCE OF IMPROVEMENTS

Section 3.1 Lease of the 2024 Real Property; Conveyance of Facilities. The County hereby demises and leases to the Corporation and the Corporation hereby leases from the County the 2024 Real Property for a term which ends on the expiration of the Base Lease Term for the rentals and other consideration set forth in Section 3.4 hereof and in accordance with the provisions of this Base Lease. The County hereby conveys the Existing Facilities to the Corporation and the Corporation hereby accepts such conveyance from the County. The parties hereto agree to amend Exhibit A to this Base Lease by the execution of a Supplement to Base Lease Agreement, in substantially the form of Exhibit C attached hereto, from time to time, if the County acquires Additional Real Property which should become subject to this Base Lease.

Section 3.2 Purchase of the Facilities. Pursuant to the terms of the Purchase and Use Agreement, the Corporation will provide for the 2024 Project and will convey title to the Facilities to the County, but subject to the terms of the Trust Agreement and the reservation of certain rights under this Base Lease.

Section 3.3 Assignments, Subleases and Mortgages. Except as contemplated by the Trust Agreement or permitted by the Purchase and Use Agreement, the Corporation may not (1) mortgage or otherwise encumber or assign its rights under this Base Lease, (2) lease, assign, transfer or otherwise dispose of its interest in the 2024 Real Property or the Facilities or any portion thereof or (3) remove, modify, or alter the 2024 Real Property or the Facilities, without the consent of the County.

Section 3.4 Rent and Other Consideration. As and for rental hereunder and in consideration for the leasing of the 2024 Real Property to the Corporation hereunder, the Corporation agrees (i) to pay to the County an annual amount of Base Lease Rent of One Dollar (\$1.00) per year, and (ii) to fulfill its obligations with respect to the Facilities as provided in the Purchase and Use Agreement.

Section 3.5 Taxes and Insurance. The County shall pay and have responsibility for all taxes on and insurance of the 2024 Real Property and the Facilities. All insurance shall provide that the proceeds shall be payable to the County, the Corporation, or the Trustee as their interests may appear.

Section 3.6 Granting of Easements, Rights of Way, Releases and Substitutions of Property. (a) From time to time during the term hereof and so long as there is not an existing Event of Default under the Purchase and Use Agreement and there has not occurred an Event of Nonappropriation (as defined in the Purchase and Use Agreement) that has not been waived by the Corporation or the Trustee (if applicable), in each case with the prior written consent of the Bond Insurer (so long as the Bond Insurer is not then in default under the Insurance Policy), the Corporation, at the request of the County, may execute such instruments as are necessary to provide for the granting of easements or rights of way for road construction, utilities, or in such other instances as the County certifies are not inconsistent with or incompatible with the continued use of the balance of the 2024 Real Property for its intended purposes. Such instruments may, with

the prior written consent of the Bond Insurer (so long as the Bond Insurer is not then in default under the Insurance Policy), include a termination of this Base Lease with respect to such portion of the 2024 Real Property as is affected thereby or an acceptance or acknowledgment of the right of the grantee of any such easement or right-of-way to continue to use such property notwithstanding the exercise of any rights or remedies afforded to the Corporation hereunder or under the Purchase and Use Agreement. Any request from the County hereunder shall be accompanied by copies of any instruments proposed to be executed together with a certificate from the County to the effect that: (1) the continued use of the 2024 Real Property affected thereby will not be impaired or hampered thereby; (2) access to the 2024 Real Property for ingress and egress will be adequate for the purposes for which the 2024 Real Property is intended to be used; and (3) the value of the 2024 Real Property to the County will not be significantly diminished thereby.

(b) The Corporation may, with the prior written consent of the Bond Insurer (so long as the Bond Insurer is not then in default under the Policy), also terminate this Base Lease with respect to any portion of the 2024 Real Property deemed excess or unneeded for the continued operation of the Facilities and the related facilities for the purposes for which they were designed or are then being used, and release its interest in such portion to the County, upon receipt by the Corporation of the following: (1) a plat showing the location of the Facilities and related facilities and the portion of the 2024 Real Property deemed excess or unneeded; (2) an amendment to Exhibit A hereto revising the description of the affected parcel of the 2024 Real Property; (3) a certificate from an engineer or architect stating that the remaining 2024 Real Property will be adequate for the continued operation of the Facilities and related facilities for the purpose for which they were designed or are then being used including a certification that there will be adequate access to the remaining 2024 Real Property for ingress and egress; and (4) a certification from the County that the portion of the 2024 Real Property being released from the provisions hereof is excess to or unneeded for the continued operation of the Facilities and related facilities for the purposes for which they were designed or are then being used.

* * *

ARTICLE IV

TERMINATION

Section 4.1 Termination. (a) This Base Lease shall terminate upon the completion of the Base Lease Term; provided, however, in the event the County exercises the option to purchase the Facilities as provided in Section 9.1 of the Purchase and Use Agreement and satisfies the conditions thereof, then this Base Lease shall be considered terminated through merger of the leasehold interest with the interest of the County and, provided further, that upon any partition of the Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, this Base Lease shall be terminated with respect to that portion of the 2024 Real Property (the “*County Real Property*”) relating to any County Facilities (as defined in the Purchase and Use Agreement) and the County Real Property shall no longer be subject to this Base Lease and the Corporation shall have no interest therein.

(b) The Corporation agrees, upon any termination or completion of the Base Lease Term or the exercise by the County of its option to purchase as provided in Section 9.1 of the Purchase and Use Agreement, to quit and surrender the 2024 Real Property and that all title and interest in the Facilities and the 2024 Real Property shall vest in the County free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances (as defined in the Purchase and Use Agreement). The Corporation agrees, upon any partition of the Facilities provided for in Section 2.4 of the Purchase and Use Agreement, to quit and surrender the County Real Property and that all title and interest in the County Facilities and the County Real Property shall vest in the County free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances.

If an Event of Default under the Purchase and Use Agreement occurs or if the County fails to continue the Purchase and Use Agreement for the entire term thereof for any reason, the Corporation shall have the right of possession of the portion of the 2024 Real Property (the “*Corporation Real Property*”) relating to the Corporation Facilities (as defined in the Purchase and Use Agreement) as the result of a partition as provided for in Section 2.4 of the Purchase and Use Agreement for the remainder of the Base Lease Term and shall have the right to sublease the Corporation Facilities or transfer its leasehold interest in the Corporation Real Property and in this Base Lease upon whatever terms and conditions it deems prudent; provided that the Corporation Facilities shall always be operated in compliance with all applicable governmental rules, regulations and orders. Both parties acknowledge that the County has an insurable interest in the Corporation Facilities but not in any additions, alterations, furnishings, and fixtures provided in connection with the use of the Corporation Facilities by the Corporation or any person to whom the Corporation enters into a lease, license or other such agreement providing for occupancy temporary or long-term. Therefore, the County’s obligation to provide insurance and pay taxes under the provisions of Section 3.5 hereof shall be limited to the 2024 Real Property and the Facilities as they existed as of the Partition Date (as defined in the Purchase and Use Agreement) and the Corporation shall provide the County with adequate public liability and comprehensive risk insurance covering any additions, alterations, furnishings and fixtures to the Corporation Facilities acquired, constructed or installed after the Partition Date, and shall pay all taxes relating to any additions, alterations, furnishings and fixtures located therein for the remainder of the Base Lease Term and will furnish the County with evidence thereof. In the event that the Corporation shall receive a payment for the transfer of its leasehold interest or total rental payments for

subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the principal amount of the Bonds then Outstanding (as defined in the Trust Agreement) at the time of termination or default and the interest and premium, if any, due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the County by the Corporation, its assigns or its lessee.

Section 4.2 Default by the Corporation. The County shall not have the right to exclude the Corporation from the 2024 Real Property or the Facilities or to take possession of the 2024 Real Property or the Facilities (except pursuant to the Purchase and Use Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term notwithstanding any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's entire interest in the Facilities granted to the County in Article IX of the Purchase and Use Agreement and after the payment of the purchase price specified therein and the other sums payable under the Purchase and Use Agreement, the Corporation fails to convey its interest in the Facilities to the County pursuant to said option, then the County shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation hereunder, the County may maintain an action, if permitted in equity, for specific performance.

Section 4.3 Quiet Enjoyment. Subject to the Purchase and Use Agreement, the Corporation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the 2024 Real Property and the Facilities.

Section 4.4 No Merger. Except as expressly provided herein, no union of the interests of the County and the Corporation herein or in the Purchase and Use Agreement shall result in a merger of this Base Lease and the title to the Facilities.

Section 4.5 Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are fully corporate liabilities of the Corporation as a corporation, and, to the extent permitted by law, the County hereby releases each and every incorporator, member, director and officer of the Corporation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Lease Rent. No incorporator, member, director, or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

Section 4.6 Maintenance of Premises. Subject to the provisions of the Purchase and Use Agreement, the Corporation covenants that it will maintain or cause to be maintained the 2024 Real Property, and will not cause, permit, or suffer to be caused or permitted waste thereto. At the conclusion of the term of this Base Lease, the 2024 Real Property shall be returned to the County, together with the Facilities and any other improvements thereto, in substantially the condition thereof as of the date hereof or the date the Additional Real Property is added hereto, subject to normal wear and tear. Except as contemplated under the Purchase and Use Agreement, the Corporation shall not make or consent to any other improvements, modifications or alterations to the 2024 Real Property or the Facilities or any portion thereof, or remove any part thereof without the prior written consent of the County. Prior to an Event of Nonappropriation that has not been waived, in the event of any damage, destruction or condemnation of any of the 2024 Real Property,

the provisions of Article VII of the Purchase and Use Agreement shall be deemed to apply with respect to the 2024 Real Property in like manner as provided therein with respect to Facilities, and the net proceeds from any insurance policies, performance bonds or condemnation awards shall be applied in the same manner for the benefit of 2024 Real Property as are Net Proceeds under Section 7.2 of the Purchase and Use Agreement. After an Event of Nonappropriation that has not been waived, in the event of any damage, destruction or condemnation of any of the 2024 Real Property, the proceeds of any insurance or condemnation awards allocable to the Corporation's interest in the 2024 Real Property shall be applied as directed by the Trustee either in the manner provided in Section 7.2 of the Purchase and Use Agreement or to the retirement of all Bonds then Outstanding and the excess, if any, remaining thereafter to such use as the County may direct.

* * *

ARTICLE V

**CONTROL OF 2024 REAL PROPERTY AND
FACILITIES DURING BASE LEASE TERM**

Section 5.1 Control of 2024 Real Property and Facilities During Base Lease Term.
Subject to the provisions of the Purchase and Use Agreement and Section 4.6 hereof, during the Base Lease Term, the Corporation shall have complete control over the 2024 Real Property and the Facilities and their operation.

* * *

ARTICLE VI

MISCELLANEOUS

Section 6.1 Covenants Running with the 2024 Real Property. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the 2024 Real Property and shall attach and bind and inure to the benefit of the County and the Corporation and their respective heirs, legal representatives, successors, and assigns, except as otherwise provided herein.

Section 6.2 Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the County, and the Corporation, and their respective successors and assigns. The Bond Insurer is a third-party beneficiary of this Base Lease.

Section 6.3 Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 6.4 Amendment, Changes, and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, if and to the extent required by the Trust Agreement, other than (1) to make any Additional Real Property subject to this Base Lease, or (2) as provided in Section 3.6 hereof in connection with the granting of easements, releases, and substitutions. This Base Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Bond Insurer.

Section 6.5 Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 6.6 Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

Section 6.7 Captions. The section and headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions hereof.

Section 6.8 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Base Lease to be given to or filed with the County, the Corporation, the Bond Insurer, or the Trustee if the same is given or filed in the manner and at the addresses specified in the Trust Agreement.

Section 6.9 Successors and Assigns. All covenants, promises and agreements contained in this Base Lease by or on behalf of or for the benefit of the County or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 6.10 Compliance. Notwithstanding anything in this Base Lease to the contrary, during the term of this Base Lease, neither the Corporation nor any assignee of the Corporation's interest hereunder nor any sublessee of the Corporation shall operate the Facilities for any purpose which is not in compliance with all applicable governmental rules, regulations and orders.

* * *

WITNESS the due execution of this Base Lease effective as of [May 1, 2024].

LAURENS COUNTY, SOUTH CAROLINA

(SEAL)

Witnesses

By: _____
Thomas R. Higgs, II, County Administrator

Attest:

Cheyenne G. Noffz, Clerk to County Council

**LAURENS COUNTY PUBLIC
FACILITIES CORPORATION**

(SEAL)

Witnesses

By: _____
Barton Holmes, President

Attest:

Cheyenne G. Noffz, Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

PROBATE

PERSONALLY appeared before me the undersigned witness who on oath says, that (s)he saw the within named Laurens County Public Facilities Corporation, by its duly authorized President and Secretary, sign, seal and as its act and deed deliver the within Base Lease Agreement, and that (s)he, together with the other witness whose signature appears above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this ___ day of _____ 2024.

Notary Public for South Carolina
Printed Name: _____
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF LAURENS)

PROBATE

PERSONALLY appeared before me the undersigned witness, who, upon first being duly sworn, deposes and says: that (s)he saw Laurens County, South Carolina by its duly authorized County Administrator and Clerk to County Council, sign the foregoing Base Lease Agreement, and that (s)he, with the other subscribing witness, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this _____ day of _____ 2024.

Notary Public for South Carolina
Printed Name: _____
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTIONS OF 2024 REAL PROPERTY

EXHIBIT B

DESCRIPTION OF EXISTING FACILITIES

The Existing Facilities comprise those improvements currently existing on the below listed parcels. The Existing Facilities do not include any real property.

<u>Facilities Component</u>	<u>TMS Number</u>
Historical Courthouse Facilities	906-11-08-001
Hillcrest Complex East Facilities	906-12-09-054

EXHIBIT C

**FORM OF SUPPLEMENT TO BASE LEASE AGREEMENT
(ADDITIONAL REAL PROPERTY)**

THIS SUPPLEMENT TO BASE LEASE AGREEMENT (this “*Supplement*”) dated _____, 20__, by and between LAURENS COUNTY, SOUTH CAROLINA, a political subdivision duly existing under the laws of the State of South Carolina, as lessor (the “*County*”), and LAURENS COUNTY PUBLIC FACILITIES CORPORATION, a South Carolina nonprofit corporation duly organized and existing under the laws of the State of South Carolina, as lessee (the “*Corporation*”).

WHEREAS, the County and the Corporation have entered into that certain Base Lease Agreement dated as of [May 1, 2024] (the “*Base Lease*”), and pursuant to Section 3.1(a) thereof, enter into this Supplement for the purposes set forth herein.

NOW, THEREFORE, for and inconsideration of the mutual promises and covenants herein contained, the parties hereto hereby agree as follows:

The Base Lease is hereby amended to delete Exhibit A attached thereto and replace it in its entirety with Exhibit A-1 attached hereto.

Except as amended herein, the Base Lease shall remain in full force and effect.

WITNESSES:

CORPORATION:

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

By: _____
Its: _____

By: _____
Its: _____

COUNTY:

LAURENS COUNTY, SOUTH CAROLINA

By: _____
Its: _____

By: _____
Its: _____

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

DISCLOSURE DISSEMINATION AGENT AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (this “Disclosure Agreement”), dated _____, 2024, is executed and delivered by Laurens County, South Carolina (the “County”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the County in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”). Pursuant to the Installment Purchase and Use Agreement (the “Purchase and Use Agreement”) dated as of _____, 2024, by and between the County and the Laurens County Public Facilities Corporation (the “Issuer”), the County has covenanted to provide the information required by the Rule (as defined herein) as an Obligated Person (as defined in the Rule) in connection with the issuance of the Issuer’s Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “Bonds”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the County or the Issuer or anyone on the County’s or Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the County for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the County and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the County pursuant to Section 9 hereof.

“Disclosure Representative” means the County’s finance director, or her designee, or such other person as the County shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the County’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the County, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the County and the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The County shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the February 1 following the end of each fiscal year of the County, commencing with the fiscal year ending June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the County will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the County are prepared but not available prior to the Annual Filing Date, the County shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the County pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. “Principal and interest payment delinquencies;”
 - 2. “Non-Payment related defaults, if material;”
 - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”

5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material, and tender offers;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 13. "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 15. "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the County pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"
 3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service, other than those communications included in the Rule;"
 5. "secondary market purchases;"
 6. "bid for auction rate or other securities;"
 7. "capital or other financing plan;"
 8. "litigation/enforcement action;"
 9. "change of tender agent, remarketing agent, or other on-going party;" and
 10. "other event-based disclosures;"
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the County pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. "quarterly/monthly financial information;"
 2. "change in fiscal year/timing of annual disclosure;"
 3. "change in accounting standard;"
 4. "interim/additional financial information/operating data;"
 5. "budget;"
 6. "investment/debt/financial policy;"
 7. "information provided to rating agency, credit/liquidity provider or other third party;"
 8. "consultant reports;" and
 9. "other financial/operating data."
- (viii) provide the County evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The County may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the County, including the financial and statistical information provided in the Official Statement as follows:

- (i) The financial statements of the County for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (ii) Updates to the financial and operating data for the fiscal year then ended, to the extent such information is not included in the County's audited financial statements filed pursuant to clause (i) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in Appendix A to the Official Statement under the following headings/subheadings [NTD – to be updated based on discussions with Underwriter]:
 - (1) "CERTAIN FISCAL MATTERS – Summary of General Fund Operations"
 - (2) "CERTAIN FISCAL MATTERS – General Fund Budgets"
 - (3) "DEBT STRUCTURE – Constitutional Debt Limit" (table only)
 - (4) "DEBT STRUCTURE – Outstanding General Obligation Bonds"
 - (5) "PROPERTY ASSESSMENT AND TAXATION – Assessed Value"
 - (6) "PROPERTY ASSESSMENT AND TAXATION – Millage History"
 - (7) "PROPERTY ASSESSMENT AND TAXATION – Market Value and Assessment Summary"
 - (8) "PROPERTY ASSESSMENT AND TAXATION – Tax Collections"
 - (9) "PROPERTY ASSESSMENT AND TAXATION – Ten Largest Taxpayers"

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the County is an "obligated person" (as defined by the Rule), which have been previously filed with the U.S. Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The County shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the County or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the County determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the County as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The County will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The County acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the County as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the County as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

The parties hereto acknowledge that the County is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the County is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The County has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The County may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the County or DAC, the County agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the County shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the County.

SECTION 10. Remedies in Event of Default. In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the County has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the County's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the County at all times.

The obligations of the County under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and

shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the County.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the County and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the County nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the U.S. Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so to the County together with a copy of the proposed amendment. No such amendment shall become effective if the County shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure 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.

The Disclosure Dissemination Agent and the County have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

LAURENS COUNTY, SOUTH CAROLINA, as County

By: _____
Name: Thomas R. Higgs, II
Title: County Administrator

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Laurens County Public Facilities Corporation
Obligated Person(s):	Laurens County, South Carolina
Name of Bond Issue:	\$_____ Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024
Date of Issuance:	_____, 2024
Date of Official Statement	_____, 2024
CUSIP Numbers:	

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to U.S. Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material, and Tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the County or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [DATE], 2024 between the County and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;” and
10. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the County or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [DATE], 2024, between the County and DAC.

Issuer’s and/or Other Obligated Person’s Name:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Bonds to which this notice relates:

Number of pages attached: ____

____ Description of Voluntary Financial Disclosure (Check One):

- 1. ____ “quarterly/monthly financial information;”
- 2. ____ “change in fiscal year/timing of annual disclosure;”
- 3. ____ “change in accounting standard;”
- 4. ____ “interim/additional financial information/operating data;”
- 5. ____ “budget;”
- 6. ____ “investment/debt/financial policy;”
- 7. ____ “information provided to rating agency, credit/liquidity provider or other third party;”
- 8. ____ “consultant reports;” and
- 9. ____ “other financial/operating data.”

I hereby represent that I am authorized by the County or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

BOND PURCHASE AGREEMENT

\$ _____

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024**

PURCHASE CONTRACT

April __, 2024

Laurens County, South Carolina
100 Hillcrest Square
Laurens, South Carolina 29360

Laurens County Public Facilities Corporation
100 Hillcrest Square
Laurens, South Carolina 29360

Dear Chairman and Members of County Council and President and Board of Directors of the Corporation:

The undersigned, Wells Fargo Bank, National Association, operating under the trade name Wells Fargo Securities (the “Underwriter”), offers to enter into this Purchase Contract (the “Purchase Contract”) with Laurens County, South Carolina (the “County”) and Laurens County Public Facilities Corporation (the “Issuer”), which, upon the acceptance of this offer and the execution of this Purchase Contract by the County and the Issuer, shall be in full force and effect in accordance with its terms and shall be binding upon the County, the Issuer, and the Underwriter. This offer is made subject to your acceptance of this Purchase Contract on or before 5:00 p.m. local time, on April ____, 2024, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to your offices at any time prior to the acceptance hereof by you. All terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Official Statement, the Trust Agreement, or the Disclosure Dissemination Agent Agreement (as such terms are hereinafter defined).

1. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer \$_____ aggregate principal amount of the Issuer’s Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “Series 2024 Bonds”) and the Issuer hereby agrees to sell to the Underwriter all (but not less than all) of the Series 2024 Bonds. The purchase price for the Series 2024 Bonds shall be \$_____ (representing the par amount of the Series 2024 Bonds [plus][less] original issue [premium][discount] of \$_____, less an Underwriter’s discount of \$_____). The Underwriter may change the offering prices of the Series 2024 Bonds at any time and from time to time.

2. The Series 2024 Bonds shall be authorized and issued pursuant to the following: (i) Title 33, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the “South Carolina Nonprofit Corporation Act”); (ii) an ordinance enacted by the County Council of the County (the “County Council”) on [April 8, 2024] (the “Ordinance”); and (iii) a resolution adopted by the Board of Directors of the Issuer on [April 4, 2024] (the “Resolution”). Proceeds of the Series 2024 Bonds will be used to finance (i) the costs of construction, reconstruction, acquisition, installation, renovation, and equipping of the County’s historic courthouse and Hillcrest Complex East (collectively, the “2024 Project”), (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) the costs of issuing the Series 2024 Bonds[, including the premium due on the Insurance Policy (as defined herein)].

The County is the owner of certain land (the “Real Property”) and existing facilities (the “Existing Facilities”) upon which the 2024 Project will be completed. In order to provide for the constructing and equipping of the 2024 Project, the County will convey the Existing Facilities and lease the Real Property to the Issuer pursuant to a Base Lease Agreement, dated as of [May 1, 2024] (the “Base Lease”), between the County, as lessor, and the Issuer, as lessee. The County will purchase the Facilities (as defined in the Preliminary Official Statement), which includes the 2024 Project, from the Issuer pursuant to an Installment Purchase and Use Agreement (the “Purchase and Use Agreement”), dated as of [May 1, 2024], between the Issuer, as seller, and the County, as purchaser.

The Purchase and Use Agreement obligates the County to make [annual] installment payments of purchase price, also referred to as “Base Payments,” to the Issuer in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds.

To secure its obligations under the Series 2024 Bonds, the Issuer will enter into a Trust Agreement (the “Trust Agreement”), dated as of [May 1, 2024], with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), pursuant to which the Issuer will assign to the Trustee, and grant a security interest in, (i) all of its right, title and interest in and to (a) the Revenues (as defined in the Trust Agreement), including all Installment Payments (as defined in the Trust Agreement) and other amounts receivable by or on behalf of the Issuer under certain enumerated sections of the Purchase and Use Agreement (except for certain rights reserved to the Issuer (the “Reserved Rights”)), (b) the Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the Real Property, and certain leases, guarantees, contracts, agreements, licenses and permits described therein, and (c) any insurance or condemnation proceeds with respect to the Facilities, the Real Property or any portion thereof, and the proceeds of any other collateral granted under the Trust Agreement or assigned thereby, and (ii) all moneys and investments held by the Trustee in certain funds and accounts created under the Trust Agreement.

[The payment of the scheduled principal and interest on the Series 2024 Bonds will be guaranteed by a municipal bond insurance policy (the “Insurance Policy”) issued by [BOND INSURER] (the “Bond Insurer”).]

The financial obligations of the County under the Purchase and Use Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by the County Council to pay the Installment Payments due in each fiscal year under the Purchase and Use Agreement using funds appropriated by the County Council for such purpose. The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the Installment Payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay Installment Payments due under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without any penalty.

The Series 2024 Bonds shall be dated the date of their delivery, shall mature on such dates and in such principal amounts, shall bear interest at such rates, shall be reoffered at the prices and shall be subject to optional redemption on the dates and at the price as are set forth in Exhibit A attached hereto and made a part hereof. The Depository Trust Company (“DTC”) shall act as securities depository for the Series 2024 Bonds, which shall be issued in book-entry form.

It is intended by the County that interest on the Series 2024 Bonds will be excludable from gross income for federal and South Carolina income tax purposes.

3. The County and the Issuer have previously provided to the Underwriter an electronic copy of the Preliminary Official Statement with respect to the Series 2024 Bonds dated _____, 2024 (the “Preliminary Official Statement”). As of its date, the Preliminary Official Statement has been “deemed final” by the County and the Issuer for purposes of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, as amended, except for the information permitted by Rule 15c2-12(b)(1) to be omitted therefrom. The Official Statement shall be provided for distribution, at the expense of the County, in such quantity as may be requested by the Underwriter, no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the Closing Date (as defined in Section 7 hereof), in order to permit the Underwriter to comply with Rule 15c2-12 of the hereinafter defined SEC (“Rule 15c2-12”), and the applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”), with respect to distribution of the Official Statement. The County and the Issuer agree to prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB’s Rule G-32 and to provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriter no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32. The County and the Issuer hereby consent to and ratify the use by the Underwriter of the Preliminary Official Statement and the Official Statement and the information contained therein and authorize the Underwriter to use the Preliminary Official Statement and the Official Statement and the information contained therein in connection with the public offering and sale of the Series 2024 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2024 Bonds unless the confirmation of sale is accompanied or preceded by the delivery of an electronic copy of the final Official Statement pursuant to the rules of the MSRB and that any supplement or amendment to the Official Statement also shall be delivered to the initial purchasers of any Series 2024 Bonds.

4. The Underwriter intends to make an initial bona fide public offering of all the Series 2024 Bonds at not in excess of the public offering price or prices (or less than the yield or yields) set forth on the inside front cover of the Official Statement and may subsequently change such offering price or prices (or higher than the yield or yields) without any requirement of prior notice to the County or the Issuer. The Underwriter may offer and sell Series 2024 Bonds to certain dealers (including dealers depositing Series 2024 Bonds into investment trusts) and others, as stated in Paragraph 1 above, at prices lower than the public offering price or prices (or yield or yields) stated on the inside front cover of the Official Statement. The Underwriter will provide to Pope Flynn, LLC, bond counsel (“Bond Counsel”), and others an issue price certificate with respect to the Series 2024 Bonds substantially in the form of Exhibit F attached hereto.

5. The County hereby represents and warrants to the Underwriter that:

(a) The County is a body politic and corporate and a political subdivision organized and existing under the laws of the State of South Carolina and is a political subdivision within the meaning of Section 103(c)(1) of the Internal Revenue Code of 1986, as amended.

(b) The County is authorized by the laws of the State of South Carolina, including particularly Title 4, Chapter 9 of the Code of Laws of South Carolina 1976, as amended, to enact the Ordinance, to enter into this Purchase Contract, the Base Lease, the Purchase and Use Agreement, and the Disclosure Dissemination Agent Agreement dated the date of delivery of the Series 2024 Bonds (the “Disclosure Dissemination Agent Agreement”), between the County and Digital Assurance Certification, L.L.C.; this Purchase Contract, the Purchase and Use Agreement, the Base Lease, and the Disclosure Dissemination Agent Agreement are collectively referred to herein as the “County Agreements.”

(c) The County has full power and authority to consummate the transactions contemplated by the Ordinance, the Official Statement, the County Agreements, and as otherwise set forth herein.

(d) The County has duly approved and authorized the distribution and use of the Preliminary Official Statement and the delivery and distribution of the Official Statement; the Official Statement will be a final official statement as such term is defined in Rule 15c2-12(b)(1), as of its date; and nothing has come to the County’s attention which would lead it to believe that: (i) except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds, debt service schedule, and delivery date of the Series 2024 Bonds, the information contained in the Preliminary Official Statement is not true and correct in all material respects or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in light of the circumstances under which they were made, not misleading; and (ii) the information to be contained in the Official Statement will not be true and correct in all material respects or will contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are made, not

misleading (excluding from (i) and (ii) above, the information relating to DTC and its affiliates and the book-entry only system of registration and transfer and related information under the caption of “DESCRIPTION OF THE SERIES 2024 BONDS,” the information relating to the Underwriter under the caption “UNDERWRITING” and the language provided by the Underwriter for inclusion on the inside front cover (collectively, the “Excluded Information”).

(e) The County has duly enacted the Ordinance, and the notices given prior to the meetings of the County Council at which the Ordinance was enacted comply with the applicable notice requirements of State law, and such meetings were conducted in accordance with the applicable requirements of State law. The County has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Series 2024 Bonds by the Issuer upon the terms set forth herein, in the Ordinance, and in the Official Statement; (ii) the approval of the Official Statement; (iii) the application of the proceeds of the Series 2024 Bonds for the purposes described in the Official Statement; and (iv) the execution, delivery, and receipt of this Purchase Contract, the other County Agreements, and any and all such other agreements and documents as may be required to be executed, delivered, and received by the County in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement.

(f) The County Agreements, when executed and delivered by the County at or prior to the Closing (as defined in Section 7 hereof), assuming the valid execution and delivery by the other parties thereto, will constitute legal, valid, and binding obligations of the County enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditor’s rights generally and general principles of equity.

(g) The Series 2024 Bonds and the County Agreements conform and, in the case of the Official Statement, will conform, in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(h) The operation of the 2024 Project in the manner contemplated will not conflict in any material respect with any zoning, water or air pollution or other ordinance, order, law, rule, or regulation applicable to the 2024 Project including, without limitation, Environmental Laws (as defined in the Purchase and Use Agreement). The County has caused or will cause the 2024 Project to be designed in accordance with all applicable federal, state, and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety, and environmental quality. The County possesses or will possess, and the County hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the 2024 Project as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the 2024 Project have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals that are not yet required and that will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the operation of the 2024 Project. The County covenants and agrees to do all things necessary to preserve and keep in full force and effect its franchises, rights, powers and privileges as the same relate to the 2024 Project.

(i) The County, immediately after the Closing, will apply or cause to be applied the proceeds from the sale of the Series 2024 Bonds as specified in the Official Statement and as more fully described in the certificates delivered at the Closing. The County will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Series 2024 Bonds to be applied in a manner other than as provided in the Official Statement or which would cause the interest on the Series 2024 Bonds to be includable in gross income for federal income tax purposes.

(j) Except as stated in the Official Statement, there is no action, suit, hearing, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, agency, or body pending or, to the best of the County's knowledge, threatened against or directly affecting the County (nor, to the knowledge of the County, any meritorious basis therefor) contesting the due organization and valid existence of the County or wherein an unfavorable decision, ruling, or finding would, in any way, adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity or due enactment of the Ordinance or the validity, due authorization, and execution of this Purchase Contract and the other County Agreements, or any other agreement or instrument to which the County is a party and which is used or contemplated hereby or by the Official Statement, (ii) the federal tax-exempt status of the interest on the Series 2024 Bonds, (iii) the exemption of interest on the Series 2024 Bonds from taxation in South Carolina as described in Paragraph 5(l) below, (iv) the organization, existence, or powers of the County or the title of the Chairman of County Council or any of the other members of the County Council or any officers of the County, or (v) the business, properties, or assets or the conditions, financial or otherwise, of the County.

(k) The execution and delivery by the County of this Purchase Contract, the other County Agreements, and the other documents contemplated hereby and by the Official Statement, and the enactment of the Ordinance and compliance with the provisions thereof, do not and, on the date of Closing, will not conflict with or constitute on the part of the County a breach of or a default under any existing law, court or administrative regulation, decree, or order, or any agreement, indenture, mortgage, or lease by which it is or, on the Closing Date, will be bound.

(l) There is no legislation enacted or, to the best of the County's knowledge, pending, the effect of which would be to remove the exemption of the interest on the Series 2024 Bonds from any taxation under the laws of the State of South Carolina, except inheritance or other transfer taxes and certain franchise taxes.

(m) If, between the date of this Purchase Contract and the Termination of the Disclosure Period (hereinafter defined), any event shall occur to the knowledge of the County, which might or would cause the Official Statement (other than the Excluded Information), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the County shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense promptly prepare and furnish to the Underwriter (1) an electronic copy of an amendment of or supplement

to the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading, and (2) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract:

(i) The “Termination of the Disclosure Period” shall mean the later of (1) the earlier of (x) the ninetieth day following the End of the Underwriting Period (as defined in subparagraph (ii) below) and (y) the time when the Official Statement is available to any person from the MSRB, and (2) the twenty-fifth day following the End of the Underwriting Period; and

(ii) The “End of the Underwriting Period” shall mean the later of (1) the Closing Date, unless the County and the Issuer have been notified in writing by the Underwriter on or prior to the Closing Date that the “End of the Underwriting Period” for purposes of Rule 15c2-12 will not occur on the Closing Date and (2) the date on which notice is given to the County and the Issuer by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the County and the Issuer pursuant to clause (1) of this subparagraph (ii) that the “End of the Underwriting Period” will not occur on the Closing Date, the Underwriter agrees to notify the County and the Issuer in writing as soon as practicable of the “End of the Underwriting Period” for purposes of Rule 15c2-12.

(n) The County has approved the issuance by the Issuer of the Series 2024 Bonds and the sale of the Series 2024 Bonds to the Underwriter.

(o) The County has not as of the date hereof terminated any lease, lease-purchase agreement, or installment purchase agreement to which it has been a party by nonappropriation.

6. The Issuer hereby represents and warrants to the Underwriter that:

(a) The Issuer is a duly organized and existing non-profit corporation created under the laws of the State of South Carolina, has the requisite power to carry on its present and proposed activities, and has full power, right and authority to enter into this Purchase Contract, the Purchase and Use Agreement, the Series 2024 Bonds, the Trust Agreement, and the Base Lease (collectively, the “Issuer Agreements”) and to perform each and all of the obligations of the Issuer provided therein.

(b) The Issuer has taken or caused to be taken all requisite corporate action to authorize the execution and delivery of, and the performance of its obligations under this Purchase Contract, the Series 2024 Bonds, the other Issuer Agreements and each of the other

documents or agreements related to the 2024 Project (the “Project Contracts”) to which it is or will be a party.

(c) By proper corporate action the officers of the Issuer have been duly authorized to execute and deliver this Purchase Contract, the Series 2024 Bonds, and the other Issuer Agreements.

(d) Each of this Purchase Contract, the Series 2024 Bonds, the other Issuer Agreements and each Project Contract to which the Issuer is or will be a party has been or will be duly executed and delivered by the Issuer and, assuming the valid execution and delivery by the other parties thereto, constitutes or will constitute a legal and valid obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(e) The Issuer has duly approved and authorized the distribution and use of the Preliminary Official Statement and the delivery and distribution of the Official Statement; the Issuer has delivered the Preliminary Official Statement to the Underwriter, and the Issuer deems the Preliminary Official Statement to be final for the purpose of Rule 15c2-12(b)(1) except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional and mandatory redemption provisions, debt service schedules, sources and uses of funds, and delivery date of the Series 2024 Bonds; the Official Statement will be a final official statement as such term is defined in Rule 15c2-12(b)(1), as of its date; and nothing has come to the Issuer’s attention which would lead it to believe that: (i) except for the offering prices, interest rates, selling commissions, principal amount per maturity, debt service schedules, optional and mandatory redemption provisions, sources and uses of funds, and delivery date of the Series 2024 Bonds, the information contained in the Preliminary Official Statement is not true and correct in all material respects or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in light of the circumstances under which they were made, not misleading; and (ii) the information to be contained in the Official Statement will not be true and correct in all material respects or will contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are made, not misleading (excluding from (i) and (ii) above, the Excluded Information).

(f) The Issuer, immediately after the Closing, will apply or cause to be applied the proceeds from the sale of the Series 2024 Bonds as specified in the Official Statement and as more fully described in the certificates delivered at the Closing. The Issuer will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Series 2024 Bonds to be applied in a manner other than as provided in the Official Statement or which would cause the interest on the Series 2024 Bonds to be includable in gross income for federal income tax purposes.

(g) Except as stated in the Official Statement, there is no action, suit, hearing, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, agency, or body pending or, to the best of the Issuer’s knowledge, threatened against or directly

affecting the Issuer (nor, to the knowledge of the Issuer, any meritorious basis therefor) contesting the due organization and valid existence of the Issuer or wherein an unfavorable decision, ruling, or finding would, in any way, adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity, due authorization, and execution of the Series 2024 Bonds, this Purchase Contract, the other Issuer Agreements, or any other agreement or instrument to which the Issuer is a party and which is used or contemplated hereby or by the Official Statement, (ii) the exemption of interest on the Series 2024 Bonds from taxation in South Carolina as described in Paragraph 6(j) below, (iii) the organization, existence, or powers of the Issuer or the title of the members of the Board of Directors or any officers of the Issuer to their respective offices, or (v) the business, properties, or assets or the conditions, financial or otherwise, of the Issuer.

(h) The Issuer is a South Carolina nonprofit, public benefit corporation, no part of the net income of which inures to the benefit of any private individual or organization.

(i) The execution and delivery by the Issuer of this Purchase Contract, the Series 2024 Bonds, the other Issuer Agreements, and the other documents contemplated hereby and by the Official Statement, and the adoption of the Resolution and compliance with the provisions thereof do not and, on the date of Closing, will not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court or administrative regulation, decree, or order, or any agreement, indenture, mortgage, or lease by which it is or, on the date of Closing, will be bound.

(j) There is no legislation enacted or, to the best of the Issuer's knowledge, pending, the effect of which would be to remove the exemption of the interest on the Series 2024 Bonds from any taxation under the laws of the State of South Carolina, except inheritance or other transfer taxes and certain franchise taxes.

(k) If, between the date of this Purchase Contract and the Termination of the Disclosure Period, any event shall occur which might or would cause the Official Statement (other than the Excluded Information), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will at its own expense forthwith prepare and furnish to the Underwriter (1) an electronic copy of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading, and (2) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(l) Between the time of the Issuer's acceptance hereof and the Closing, the Issuer will not have executed or issued any bonds or notes or incurred any other obligations for borrowed

money payable from, or secured by a pledge of, the Base Payments or other security for the Series 2024 Bonds.

7. At 10:00 a.m., Eastern Standard time, on _____, 2024 (the “Closing Date”), or at such other time or such other date as shall have been agreed upon by the County, the Issuer, and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Underwriter the Series 2024 Bonds, in fully registered form, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Series 2024 Bonds to the Trustee in Federal or other immediately available funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Purchase Contract is a further condition to the obligations of the Underwriter hereunder.

Payment and delivery of the Series 2024 Bonds as aforesaid shall be made at the offices of the County, or at such other place as the County, the Issuer, and the Underwriter agree upon, provided, however, that the Series 2024 Bonds will be physically delivered to and held by the Trustee as agent for DTC under the terms of a “FAST” closing. Such payment and delivery is herein called the “Closing.” The Series 2024 Bonds will be delivered as fully registered bonds in book-entry only form, in the form of one certificate per maturity of the Series 2024 Bonds, and registered in the name of “Cede & Co.” At the direction of the Issuer, the Trustee shall release or authorize the release of the Series 2024 Bonds at the Closing to the Underwriter upon receipt of payment for the Series 2024 Bonds as aforesaid. In addition, the County, the Issuer, and the Underwriter agree that there shall be a preliminary closing on _____, 2024, or on such other date agreed upon by the County, the Issuer, and the Underwriter.

8. The Underwriter’s obligation to purchase the Series 2024 Bonds at the Closing is subject to the following conditions which must be performed in a timely fashion as set forth herein: (i) the performance by the County and the Issuer of their obligations to be performed hereunder, and (ii) the following conditions, including the delivery by the County or the Issuer of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter and Burr & Forman LLP (“Counsel to the Underwriter”):

(a) At the time of Closing, (i) the Official Statement shall not have been amended, modified, or supplemented except as may be agreed to by the Underwriter, and the Ordinance and the Resolution shall be in full force and effect and shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Series 2024 Bonds shall be applied as described in the Official Statement, (iii) all official action of the County and the Issuer related to the Series 2024 Bonds shall be in full force and effect and shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter, and (iv) the County and the Issuer shall have duly enacted and there shall be in full force and effect such proceedings as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter shall have the right to cancel its obligation to purchase the Series 2024 Bonds (and such cancellation shall not constitute a default hereunder by the Underwriter) if between the date hereof and the Closing:

(i) legislation shall be enacted or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any committee of such House to which legislation has been referred for consideration, or a tentative decision with respect to legislation shall be reached by a committee of either House of Congress, or a committee of either House of Congress shall have pending before it legislation (other than such legislation known as of the date hereof to be pending or to have been introduced), or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation, or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other governmental agency shall be made or proposed to be made with respect to federal taxation upon interest on obligations of the general character of the Series 2024 Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of interest on the Series 2024 Bonds, materially adversely affecting the market price of the Series 2024 Bonds, or the market price generally of obligations of the general character of the Series 2024 Bonds, or

(ii) any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency of the State of South Carolina or a decision by any court of competent jurisdiction within the State shall be rendered that, in the opinion of the Underwriter, would materially adversely affect the market price of the Series 2024 Bonds, or

(iii) there shall exist any event which in the Underwriter's reasonable judgment either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or

(iv) there shall have occurred (x) any outbreak of, or escalation in, hostilities or any national or international calamity or crisis or financial crisis, including, but not limited to, (i) the United States engaging in new hostilities or escalating existing hostilities, or (ii) a declaration of war or a national emergency by the United States, on or after the date hereof, the effect of such outbreak, escalation, calamity, or crisis on the financial markets of the United States being such as in the reasonable judgment of the Underwriter would affect materially and adversely the ability of the Underwriter to market the Series 2024 Bonds or to enforce contracts for the sale of the Series 2024 Bonds, or (y) a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the State bankruptcy laws by or against the State of South Carolina or any agency or instrumentality of such State, which, in the reasonable judgment of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Series 2024 Bonds or to enforce contracts for the sale of the Series 2024 Bonds, or

(v) there shall be in force a general suspension of trading on the New York Stock Exchange, or

(vi) a general banking moratorium shall be declared by either federal, South Carolina, or New York authorities, or

(vii) legislation shall be enacted or any action shall be taken or released issued by the U. S. Securities and Exchange Commission (“SEC”) or any other governmental agency having jurisdiction of the subject matter to the effect that the issuance, offering, or sale of the Series 2024 Bonds, including all underlying obligations, or of obligations of the general character of the Series 2024 Bonds as contemplated hereby, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or

(viii) any state “blue sky” or securities commission shall have withheld registration, exemption, or clearance of the offering, and in the reasonable judgment of the Underwriter, the market for the Series 2024 Bonds is materially affected thereby, or

(ix) any rating of the Series 2024 Bonds [(including the insured rating thereof based on the Insurance Policy)] or the rating of any class of security of the County shall have been placed on negative watch, downgraded, or withdrawn by a national rating service, which, in the Underwriter’s opinion, materially adversely affects the market price of the Series 2024 Bonds, or

(x) any proceeding shall be pending, or to the knowledge of the County or the Issuer, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Series 2024 Bonds or the purchase, offering, sale, or distribution of the Series 2024 Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state laws or the rules and regulations of the Financial Industry Regulatory Authority, Inc. (“FINRA”) relating to the issuance, sale, or delivery of the Series 2024 Bonds or the purchase, offering, sale, or distribution of the Series 2024 Bonds by the Underwriter or any other proceeding shall be pending or threatened against the County or the Issuer which, in the Underwriter’s sole opinion, materially and adversely affects the market price of the Series 2024 Bonds, or

(xi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(c) At the time of Closing, the County and the Issuer shall have duly adopted all proceedings required by applicable laws and regulations, State or federal, necessary to enable Bond Counsel to deliver an unqualified opinion with respect to due authorization, execution, and delivery of the Series 2024 Bonds.

(d) The Underwriter shall have received, within a sufficient time period for such Official Statement to accompany confirmations delivered by the Underwriter to potential investors in accordance with the rules of the MSRB but in no event later than seven business

days following the date hereof, an electronic copy of the Official Statement to enable the Underwriter to meet the obligations imposed on it by Rule 15c2-12; provided, however, that the Underwriter may not terminate its obligations under this Purchase Contract as a result of the failure of this condition to be met unless such failure affects the Underwriter's marketing and sale of the Series 2024 Bonds or subjects the Underwriter to compliance infractions under the SEC or the MSRB delivery requirements.

(e) At or prior to the Closing, the Underwriter shall receive one executed original or electronic copy of the following documents, unless otherwise indicated:

(i)(A) the unqualified approving opinion of Bond Counsel dated the date of Closing, addressed to the County and the Issuer and delivered to the Underwriter, in substantially the form of Appendix D of the Official Statement, and (B) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, in substantially the form set forth in Exhibit B attached hereto;

(ii) a certificate of the County, dated the date of Closing signed by an official of the County, in a form satisfactory to the Underwriter (A) to the effect that the representations and warranties of the County herein are true and correct in all material respects as of the date of the Closing; (B) attesting that the information with respect to the County contained in the Official Statement has not changed since the date thereof and on the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (C) setting forth the expectations of the County on the day of Closing that the proceeds of the Series 2024 Bonds will be used as provided in the Official Statement, which certification shall state that to the best of the knowledge and belief of the County, the County's expectations are reasonable;

(iii) a certificate of the Issuer which contains the following information, dated the date of Closing signed by an officer of the Issuer, in a form satisfactory to the Underwriter (A) to the effect that the representations and warranties of the Issuer herein are true and correct in all material respects as of the date of the Closing; (B) attesting that the information with respect to the Issuer contained in the Official Statement has not changed since the date thereof and on the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (C) setting forth the expectations of the Issuer on the day of Closing that the proceeds of the Series 2024 Bonds will be used as provided in the Official Statement, which certification shall state that to the best of the knowledge and belief of the Issuer, the Issuer's expectations are reasonable;

(iv) a specimen of the Series 2024 Bonds;

(v) an opinion of Corporation Counsel to the County, addressed to the County, the Underwriter, and the Trustee and delivered to the Underwriter, dated the date of Closing, in substantially the form of Exhibit C attached hereto;

(vi) an opinion of Pope Flynn, LLC, Counsel to the Issuer, addressed to the Issuer, the Underwriter, and the Trustee and delivered to the Underwriter, dated the date of Closing, in substantially the form of Exhibit D attached hereto;

(vii) evidence satisfactory to the Underwriter that the Series 2024 Bonds have been rated “_____” by S&P Global Ratings (“S&P”) [(based on the presence of the Insurance Policy) and “_____” by S&P (underlying rating)] and “_____” by Moody’s Investors Service, Inc. (“Moody’s”);

(viii) certified copies of the Ordinance and the Resolution;

(ix) a copy of the Official Statement;

(x) an opinion of Pope Flynn, LLC, disclosure counsel to the County and the Issuer (“Disclosure Counsel”), addressed to the County, the Issuer, and the Underwriter, dated the date of Closing in substantially the form of Exhibit E attached hereto;

(xi) an opinion of Counsel to the Underwriter, addressed to the Underwriter, in form satisfactory to the Underwriter;

(xii) executed copies of each of the County Agreements and the Issuer Agreements;

[(xiii) an original or certified copy of the Insurance Policy, together with such certificates and opinions of the Bond Insurer and its counsel, in form satisfactory to the Underwriter;]

(xiv) [a consent of the County’s certified public accountants (the “Accountants”) to the inclusion of the Accountant’s audit report in the Preliminary Official Statement and Official Statement, and the references therein to the Accountants;]

(xv) executed copies of the federal tax certificate of the Issuer and the County dated the date of Closing, and the Form 8038-G related to the Series 2024 Bonds; and

(xiii) other certificates (including appropriate no-litigation certificates) of the County or the Issuer or information of the County or the Issuer contained in certificates listed in the Closing Memorandum to be approved by Corporation Counsel to the County, Counsel to the Issuer, and Bond Counsel, and such additional opinions as Bond Counsel may reasonably request to evidence (A) compliance by the County with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the respective

representations of the County and the Issuer contained herein, and (C) the due performance or satisfaction by the County and the Issuer at or prior to such time, of all agreements then to be performed and of all conditions then to be satisfied by the County.

If the County or the Issuer shall be unable to satisfy the conditions or the obligations contained in this Purchase Contract, or if the obligation of the Underwriter to purchase and accept delivery of the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Contract or, at the election of the County, if the Closing shall not occur by the DTC deadline on _____, 2024, this Purchase Contract shall terminate and neither the Underwriter, the County, nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses to the extent applicable, as provided in Paragraph 14 hereof, shall continue in full force and effect.

The delivery of any certificate that is required to be delivered in accordance with this Purchase Contract shall be deemed to have been made if the terms of that certificate are included to the satisfaction of the Underwriter within any one certificate or any number of other certificates delivered or caused to be delivered by the party responsible for delivery.

9. At the Closing, contemporaneously with the receipt of the Series 2024 Bonds, the Underwriter will deliver to the County a receipt therefor, in form satisfactory to Bond Counsel, signed by the Underwriter.

10. The County will furnish to the Underwriter a reasonable supply of copies of the opinion of Bond Counsel to accompany delivery of the Series 2024 Bonds.

11. The County agrees to furnish to the Underwriter, during the life of the outstanding Series 2024 Bonds, a copy of each annual audit report of the County; provided, however, this reporting requirement can be satisfied through the County's annual filing of its audit report on the MSRB's Electronic Municipal Market Access (EMMA) system.

12. The obligations of the County and the Issuer hereunder are subject to the performance by the Underwriter of its obligations hereunder.

13. All representations, warranties, and agreements of the County and the Issuer hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive delivery and payment of the Series 2024 Bonds.

14. If the Series 2024 Bonds are sold to the Underwriter by the Issuer, the Issuer shall pay, out of the proceeds of the Series 2024 Bonds or available funds provided by the County, any expenses incident to the performance of its obligations hereunder including but not limited to: (a) the costs of the preparation of the Preliminary Official Statement and final Official Statement for the Series 2024 Bonds, including the costs of all proofs and production of final proof, and the costs of delivery of the Preliminary Official Statement and final Official Statement; (b) the cost of the preparation, printing, and delivery of the Series 2024 Bonds in fully-registered form; (c) the fees and disbursements of Bond Counsel, any other experts or consultants retained by the

County, including Disclosure Counsel, the counsel to the County, the counsel to the Issuer and the Accountants, the fees and disbursements of Counsel to the Underwriter and the charges of S&P and Moody's; (d) fees and costs of the Trustee; and (e) the costs and expenses associated with rating presentations.

The Underwriter shall pay (a) all advertising expenses in connection with the public offering of the Series 2024 Bonds; (b) all other expenses incurred by it in connection with the public offering and distribution of the Series 2024 Bonds, including, but not limited to, any fees of the CUSIP Service Bureau and any fees of the MSRB or FINRA; and (c) the cost of preparing and printing the blue sky memorandum and the disbursements for filing fees in connection with the aforesaid blue sky memorandum.

In order to ensure compliance with applicable state and/or local ethics statutes that may apply to representatives of the County as well as federal securities regulations that may apply to the Underwriter, the County shall be solely responsible for and shall pay from the proceeds of the Series 2024 Bonds or shall reimburse the Underwriter from available funds (in either case, if permitted by applicable law) for any expenses incurred by the Underwriter on behalf of the County's employees and representatives in connection with this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives of the County. Such payment may be in the form of inclusion of such expenses in the expense component of the Underwriter's discount.

The County, the Issuer, and the Underwriter acknowledge that expenses included in the expense component of the Underwriter's discount are based upon estimates. The County, the Issuer, and the Underwriter agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Underwriter in an amount equal to or greater than \$1,000.00 (the "Reimbursement Threshold"), the Underwriter shall reimburse to the County the aggregate amount of expenses equal to or greater than the Reimbursement Threshold. For the avoidance of doubt, the County and the Issuer acknowledge and agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Underwriter in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Underwriter. The County and the Issuer acknowledge that they have had an opportunity, in consultation with such advisors as they may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2024 Bonds.

15. The County and the Issuer agree:

(a) To deliver promptly to the Underwriter an electronic copy of the Official Statement (and any amendments or supplements thereto) and the Ordinance as the Underwriter may reasonably request;

(b) Not to supplement or amend, or cause to be supplemented or amended, the Official Statement at any time or the Ordinance prior to the Closing, without the prior written consent of the Underwriter;

(c) During the distribution of the Series 2024 Bonds, or such longer period as a copy of the Official Statement shall be required by the rules of the MSRB to be delivered to a purchaser of Series 2024 Bonds, to prepare any amendment or supplement to the Official Statement that may, in the judgment of the County, the Issuer, or the Underwriter, be required so that the Official Statement as amended or supplemented will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(d) To advise the Underwriter immediately of receipt by the County or the Issuer of any notification with respect to the suspension of the qualification of the Series 2024 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(e) To cooperate with the Underwriter including furnishing such information, executing such instruments and taking such other action in cooperation with the Underwriter as may be required to qualify the Series 2024 Bonds for offering and sale under the “blue sky” or other laws of such jurisdictions as the Underwriter may designate; provided that in connection with such qualification the County shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now subject;

(f) Not to take or omit to take any action which action or omission will adversely affect the exemption from federal income taxation of interest on the Series 2024 Bonds under the Internal Revenue Code of 1986, as amended; and

(g) Not to take or omit to take any action which action or omission will in any way cause the proceeds of the Series 2024 Bonds to be applied in a manner contrary to that provided in the County Agreements and the Issuer Agreements.

16. (a) The Underwriter agrees to assist the County and the Issuer in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the County and the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached as Exhibit F to this Purchase Contract, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County, the Issuer, and Bond Counsel, to reflect accurately, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Bonds. All actions to be taken by the County or the Issuer under this section to establish the issue price of the Series 2024 Bonds may be taken on behalf of the County or the Issuer by the County’s municipal advisor, Stifel, Nicolaus & Company, Incorporated, and any notice or report to be provided to the County and the Issuer will also be provided to the County’s municipal advisor.

(b) [Except as otherwise set forth in Schedule A to Exhibit F attached hereto, the][The] County and the Issuer will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after execution of this Purchase Contract, the Underwriter shall report to the County, the Issuer, and Bond Counsel the price or prices at which the Underwriter has sold to the public each maturity of Series 2024 Bonds. [If at that time the 10% test has not been satisfied as to any

maturity of the Series 2024 Bonds, the Underwriter agrees to promptly report to the County, the Issuer, and Bond Counsel the prices at which Series 2024 Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2024 Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2024 Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, the County, the Issuer, or Bond Counsel. For purposes of this section, if Series 2024 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2024 Bonds.]

(c) The Underwriter confirms that it offered the Series 2024 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule A to Exhibit F attached hereto, except as otherwise set forth therein. [Schedule A to Exhibit F also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2024 Bonds for which the 10% test has not been satisfied and for which the County, the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the County and the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2024 Bonds, the Underwriter will neither offer nor sell unsold Series 2024 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the County, the Issuer, and Bond Counsel promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2024 Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement, and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series

2024 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2024 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires; and

(B) to promptly notify the Underwriter of any sales of Series 2024 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2024 Bonds to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by a dealer or broker-dealer, the Underwriter shall assume that each order submitted by such dealer or broker-dealer is a sale to the public.

(ii) any agreement among the underwriters or selling group agreement relating to the initial sale of the Series 2024 Bonds to the public, together with the related pricing wires, contains or will contain language obligating the underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2024 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2024 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2024 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or such underwriter or dealer that the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or all Series 2024 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The County and the Issuer acknowledge that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price-rule, if applicable to the Series 2024 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that the Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2024 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The County and the Issuer further acknowledge that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of

the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price-rule, if applicable to the Series 2024 Bonds, and that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2024 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2024 Bonds.

(f) The Underwriter acknowledges that sales of any Series 2024 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2024 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County or the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2024 Bonds to the public),

(iii) a purchaser of any of the Series 2024 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

17. Any notice or other communication to be given to the County or the Issuer under this Purchase Contract may be given by delivering the same in writing to the respective address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Wells Fargo Bank, National Association, 550 S. Tryon Street, 27th Floor, MAC D1086-271, Charlotte, North Carolina 28202, ATTENTION: Edward Boyles, Managing Director.

18. The County and the Issuer acknowledge and agree that: (i) the transactions contemplated by this Purchase Contract are arm’s length, commercial transactions between the County, the Issuer and the Underwriter in which the Underwriter is acting solely as a principal

and is not acting as a municipal advisor, financial advisor, or fiduciary to either the County or the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to either the County or the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings, and procedures leading thereto, irrespective of whether the Underwriter or its affiliates have provided other services or is currently providing other services to either the County or the Issuer on other matters; (iii) the only obligations the Underwriter has to either the County or the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the County and the Issuer have consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent they have deemed appropriate. The primary role of the Underwriter, as underwriter, is to purchase the Series 2024 Bonds for resale to investors, in an arm's-length commercial transaction between the County and the Issuer and the Underwriter. The Underwriter, as underwriter, has financial and other interests that differ from those of the County and the Issuer.

19. This Purchase Contract is made solely for the benefit of the County, the Issuer, and the Underwriter (including any successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof, except that the representation, warranties, and agreements of the County and the Issuer contained in this Purchase Contract shall also be deemed to be for the benefit of the person or persons, if any, who control the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended or Section 20 of the Securities Exchange Act of 1934, as amended. Nothing in this Purchase Contract is intended or shall be construed to give any person, other than the persons referred to in this paragraph, any legal or equitable right, remedy, or claim under or in respect of this Purchase Contract or any provision contained herein. All of the representations, warranties and agreements of the County and the Issuer contained herein shall remain in full force and effect, regardless of (a) any investigation made by or on behalf of any Underwriter, (b) delivery of and payment for the Series 2024 Bonds or (c) any termination of this Purchase Contract.

20. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of South Carolina.

21. This Purchase Contract shall become effective upon your acceptance hereof and may be executed in counterparts and such counterparts shall constitute one and the same instrument.

22. Neither the Chairman or other members of the County Council, the Board of Directors of the Issuer nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Underwriter with any liability, or held liable to such Underwriter under any term or provision of this Purchase Contract or because of its execution or contemplated execution, or because of any breach or attempted or alleged breach thereof.

23. No recourse shall be had by the Underwriter for any claims based on this Agreement or otherwise against any officer, employee, or agent of the Issuer or the County (or members of their respective governing bodies) in his or her individual capacity, all claims, if any, being waived and released by the Underwriter.

Very truly yours,

By: WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: _____
Its: Managing Director

Accepted and Agreed to as
of the date first above written.

LAURENS COUNTY, SOUTH CAROLINA

By: _____
Chairman, Laurens County Council

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

By: _____
President

EXHIBIT A

The Series 2024 Bonds shall mature on the dates and bear interest at the rates and shall be reoffered at the prices as set forth below:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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Optional Redemption. At the option of the County, the Series 2024 Bonds maturing after September 1, 20__, are subject to redemption in whole or in part on or after September 1, 20__, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date of redemption.

Special Optional Redemption. The Series 2024 Bonds are subject to special optional redemption, in whole or in part on any date (as selected by the Trustee at the direction of the Issuer), as described in the Preliminary Official Statement, in the event the County elects to prepay Base Payments pursuant to the provisions of the Purchase and Use Agreement relating to damage, destruction, condemnation, or a defect in title relating to all or a portion of the Facilities.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing on September 1, 20__, shall be subject to mandatory sinking fund redemption commencing September 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on September 1, of each of the following years in the respective principal amounts for each year specified below:

<u>Year</u>	<u>Amount</u>
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*

* Final Maturity

Any mandatory sinking fund redemption is subject to the provision that any partial redemption of Series 2024 Bonds described under “– *Optional Redemption*” above shall reduce the mandatory scheduled redemption requirements as described in this paragraph. In the event of a partial redemption of Series 2024 Bonds under “– *Optional Redemption*” above, the Trustee shall allocate the principal amount of Series 2024 Bonds redeemed against the next Series 2024 Bonds to be redeemed as described in this paragraph or otherwise as directed by a representative of the Issuer in writing at least 45 days prior to the date with respect to which any such credit is to be allocated.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for Series 2024 Bonds, the Issuer may deliver to the Trustee for cancellation Series 2024 Bonds of the maturity in any aggregate principal amount which have been purchased by the Issuer in the open market. Each Series 2024 Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Series 2024 Bonds on such mandatory sinking fund redemption date and any excess of such amount shall be credited against future mandatory scheduled redemption requirements in chronological order or such other order as directed in writing by the Issuer to the Trustee. The Issuer, will, on or before the 45th day preceding each mandatory sinking fund redemption date, furnish the Trustee with a certificate, signed by a representative of the Issuer, stating the extent to which the provisions of the first sentence of this paragraph are to be availed of with respect to such mandatory redemption requirements for such mandatory

redemption date. Unless such certificate is so timely furnished to the Trustee, the mandatory redemption requirements for such mandatory redemption date shall not be reduced.

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2024

Wells Fargo Bank, National Association
Charlotte, North Carolina

Re: \$_____ Laurens County Public Facilities Corporation Installment Purchase
Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Gentlemen:

We have acted at the request of Laurens County, South Carolina (the “County”) as bond counsel in connection with the issuance and delivery by Laurens County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the “Issuer”), of the captioned bonds (the “Series 2024 Bonds”). This opinion is being delivered to you pursuant to Section 8(e)(i)(B) of the Purchase Contract (the “Purchase Contract”) among the County, the Issuer and you, as Underwriter. Terms defined in the Purchase Contract are used herein with the meanings assigned to them in the Purchase Contract.

Reference is made to our approving opinion, dated _____, 2024 (the “Opinion”), as bond counsel addressed to the County and the Issuer, delivered in connection with the issuance of the Series 2024 Bonds. You are authorized to rely on the Opinion to the same extent as if the Opinion were addressed to you, subject to the examinations, assumptions, qualifications and limitations as stated in the Opinion.

We have examined:

- (a) the Purchase Contract;
- (b) a signed copy of the Official Statement, dated _____, 2024, relating to the Series 2024 Bonds (the “Official Statement”) (provided, we have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the executed version);
- (c) the Base Lease Agreement, dated as of [May 1, 2024] (the “Base Lease”) between the County and Issuer;
- (d) the Installment Purchase and Use Agreement, dated as of [May 1, 2024] (the “Purchase and Use Agreement”), between the Issuer and the County;
- (e) the Trust Agreement, dated as of [May 1, 2024] (the “Trust Agreement”), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

(f) the Disclosure Dissemination Agent Agreement dated _____, 2024 (the “Disclosure Dissemination Agent Agreement”) between the County and Digital Assurance Certification, L.L.C.

We have also generally reviewed information furnished to us by, and have participated in conferences with you and representatives of the Issuer and the County. We have also reviewed other records relating to the authorization, issuance and sale of the Series 2024 Bonds and have relied as to factual matters on certificates of officials of the County and officers of the Issuer.

In rendering the opinions expressed below, we do not purport to be generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of South Carolina (the “State”), and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based on the stated examination and assumptions, and subject to the qualifications and limitations set out below, we are of the opinion, under existing law that:

1. The Official Statement has been duly authorized, approved and delivered by the County.

2. We have considered the information contained in the Official Statement under the headings entitled: “INTRODUCTION,” “DESCRIPTION OF THE SERIES 2024 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS,” and “CONTINUING DISCLOSURE” and based on that review, are of the opinion that, to the extent the statements purport to summarize certain provisions of the Trust Agreement, the Base Lease, the Purchase and Use Agreement and the Disclosure Dissemination Agent Agreement, the statements under those headings (excepting the information relating to The Depository Trust Company and the book-entry only system of registration and transfer of the Series 2024 Bonds set forth within such headings, as to which we express no opinion or belief) are, to the extent indicated, accurate summaries of the documents referred to, and fairly present the information purported to be shown. The statements in the Official Statement under the caption “TAX MATTERS” are true and correct in all material respects.

3. The Series 2024 Bonds are presently exempt from registration requirements of the Securities Act of 1933, as amended, and no indenture, including, but not limited to the Trust Agreement, need be qualified with respect to the Series 2024 Bonds pursuant to the Trust Indenture Act of 1939, as amended.

4. The Series 2024 Bonds are exempt from registration under the securities laws of the State.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Series 2024 Bonds. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Series 2024 Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any

other person or entity for any purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

FORM OF OPINION OF COUNSEL TO THE COUNTY

_____, 2024

Laurens County, South Carolina
Laurens, South Carolina

Wells Fargo Bank, National Association
Charlotte, North Carolina

U.S. Bank Trust Company, National Association
Columbia, South Carolina

Re: \$_____ Laurens County Public Facilities Corporation Installment Purchase
Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Gentlemen:

We have acted as counsel to Laurens County, South Carolina (the “County”), in connection with the issuance by Laurens County Public Facilities Corporation (the “Corporation”) of its \$_____ Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “Series 2024 Bonds”), pursuant to the terms of a Trust Agreement, dated as of [May 1, 2024] (the “Trust Agreement”), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Series 2024 Bonds are being sold to Wells Fargo Bank, National Association, as underwriter (the “Underwriter”), pursuant to the terms of a Purchase Contract dated _____, 2024 (the “Purchase Contract”), by and among the Underwriter, the Corporation and the County. Capitalized terms not otherwise defined herein and not normally capitalized shall have the meanings ascribed thereto in the Purchase Contract.

In connection with this opinion, we have examined the following:

(a) the ordinance (the “Ordinance”) of the County Council of the County enacted on [April 8, 2024];

(b) the Base Lease Agreement, dated as of [May 1, 2024] (the “Base Lease”), between the County and the Corporation;

(c) the Installment Purchase and Use Agreement, dated as of [May 1, 2024] (the “Purchase and Use Agreement”), between the Corporation and the County;

(d) the Disclosure Dissemination Agent Agreement dated _____, 2024 (the “Disclosure Dissemination Agent Agreement”) between the County and Digital Assurance Certification, L.L.C.;

(e) the Purchase Contract; and

(f) the Preliminary Official Statement, dated _____, 2024 (the “Preliminary Official Statement”), and the Official Statement, dated _____, 2024 (the “Official Statement”), each relating to the Series 2024 Bonds (provided, we have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the executed version).

We have also examined such resolutions, documents, certificates, records and instruments, in each case, as we have deemed relevant and necessary to enable us to express the opinions hereinafter set forth. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based on this examination, we are of the opinion as of the date hereof and under existing laws, as follows:

1. The County is a body politic and corporate and a political subdivision of the State of South Carolina (the “State”) duly created and validly existing under and by virtue of the Constitution and statutes of the State and has all requisite power and authority to enact the Ordinance, to lease or convey the property demised or conveyed by the Base Lease to the Corporation, to purchase the property conveyed by the Purchase and Use Agreement (the “Project Facilities”) from the Corporation, to enter into and perform its obligations under the County Agreements, and to deliver the Official Statement to the Underwriter for distribution to the general public in connection with the offering by the Underwriter of the Series 2024 Bonds.

2. The County has taken all action legally required to authorize and has duly authorized the adoption and performance of the Ordinance, the execution, delivery, and performance of the County Agreements, and the approval of the Official Statement.

3. The enactment by the County of the Ordinance, the authorization by the County of the Preliminary Official Statement and the Official Statement, the execution and delivery by the County of the County Agreements and the other agreements and documents described in the Purchase Contract, and the consummation by the County of the transactions described in all of the foregoing instruments and documents do not and will not in any material respect conflict with or constitute, on the part of the County, a breach or violation of or default under any of the terms and provisions of the County's organizational documents, any existing constitution, statute, law, or court or administrative rule or regulation, decree, order, or judgment to which the County is subject or by which the County or any of its properties is bound or, to my knowledge, any agreement, indenture, mortgage, lease, note, resolution, ordinance, contract, commitment, or other instrument or agreement to which the County is a party or by which the County or any of its properties is bound.

4. Each of the officials of the County was on the date of execution of the County Agreements and each of the instruments required by the Purchase Contract and is on the date hereof the duly elected or appointed qualified incumbent of his or her office of the County.

5. The Ordinance has been duly enacted by the County and is in full force and effect in the form in which it was enacted.

6. The County Agreements have been duly authorized, executed, and delivered by the County and, assuming the due authorization, execution, and delivery by the other parties thereto, are each in full force and effect and constitute the valid, binding, and legally enforceable obligations of the County according to their import, and the County is entitled to the benefits of the same; provided that we give no opinion as to the enforceability of any indemnification provisions contained in the County Agreements.

7. The Official Statement has been duly authorized and delivered for distribution in connection with the sale of the Series 2024 Bonds.

8. To the best of our knowledge, after making due inquiry with respect thereto, the statements contained in the Official Statement under the captions “INTRODUCTION – The County,” “PLAN OF FINANCE,” “SOURCES AND USES OF FUNDS,” “THE COUNTY,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS,” “LEGAL MATTERS – Litigation” (relating to the County) and Appendix A are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, that we express no belief as to the financial statements and other financial or statistical data included or incorporated by reference into the Official Statement.

9. To the best of our knowledge and belief, after making due inquiry with respect thereto, other than as described in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, by or before any court or public board or body pending or threatened against or affecting the County, nor to our knowledge is there any basis therefor, which in any way questions the creation or existence of the County or the powers of the County, or the validity of the proceedings resulting in the execution and delivery of the County Agreements, or which might result in a material adverse change in the condition (financial or other), operations, or affairs of the County, or wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Purchase Contract or which in any way would adversely affect the validity or enforceability of the County Agreements or any other agreement or instrument to which the County is a party and which is used or contemplated for use in connection with the consummation of the transactions contemplated by the Purchase Contract.

The foregoing opinions are qualified to the extent that the enforceability of the County Agreements might be limited by (i) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally heretofore or hereafter enacted to the extent of their enforcement, (ii) judicial discretion in the application of principles of equity, and (iii) the valid exercise of the sovereign police powers of the State and its governmental bodies and the constitutional powers of the United States of America. The foregoing opinions are also qualified to the extent that any rights to indemnity contained in the Purchase Contract might be limited by applicable law.

This opinion is rendered to and may be relied upon solely by the addressees hereof, and may not be relied upon by any other persons, firms or corporations. Each addressee's reliance on the opinions expressed herein shall be only in connection with the initial issuance of the Series 2024 Bonds.

Whenever a statement herein is qualified "to our knowledge" or words of similar import, it is intended to indicate that, during the course of our engagement in this matter, no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of those (and only those) attorneys in this firm who have rendered legal services in connection with the transactions described in the introductory paragraph of this opinion letter.

No opinion is given on the tax-exempt status of the Series 2024 Bonds or the interest thereon. No opinion is given concerning the requirement for registration of the Series 2024 Bonds under the securities laws of any state or the Securities Act of 1933, as amended, nor is an opinion given concerning qualification of any document under the Trust Indenture Act of 1939, as amended.

No opinion is given as to any financial matters or financial information or statistical data related to the County or regarding matters of title or the perfection or priority of the lien on the Trust Estate, or other funds created by the Trust Agreement. [With respect to matters of title, reference is made to the title insurance policy of Old Republic National Title Insurance Company delivered in connection with the issuance of the Series 2024 Bonds.]

We are members of the State Bar of the State. The opinions herein are limited to the laws of the State and any applicable federal laws of the United States. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

FORM OF OPINION OF COUNSEL TO THE CORPORATION

_____, 2024

Laurens County Public Facilities Corporation
Laurens, South Carolina

Wells Fargo Bank, National Association
Charlotte, North Carolina

U.S. Bank Trust Company, National Association
Columbia, South Carolina

Re: \$_____ Laurens County Public Facilities Corporation Installment
Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Gentlemen:

We have acted as counsel to Laurens County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the “Corporation”), in connection with the issuance by the Corporation of its \$_____ Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 dated the date hereof (the “Series 2024 Bonds”), pursuant to the terms of a Trust Agreement, dated as of [May 1, 2024] (the “Trust Agreement”), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Series 2024 Bonds are being sold to Wells Fargo Bank, National Association, as underwriter (the “Underwriter”) pursuant to the terms of a Purchase Contract dated _____, 2024 (the “Purchase Contract”), by and among the Underwriter, the Corporation and Laurens County, South Carolina (the “County”). Capitalized terms not otherwise defined herein and not normally capitalized shall have the meanings ascribed thereto in the Purchase Contract.

In connection with this opinion, we have examined the following:

- (a) the Articles of Incorporation of the Corporation;
- (b) the Bylaws of the Corporation;
- (c) a certificate from the Office of the Secretary of State of the State of South Carolina dated _____, 2024, as to the existence of the Corporation and the other matters stated therein;
- (d) the Resolution adopted by the Board of Directors of the Issuer on [April 4, 2024] (the “Resolution”), authorizing the issuance of the Series 2024 Bonds and the execution, delivery, receipt and approval of the following;

(1) the Base Lease Agreement, dated as of [May 1, 2024] (the “Base Lease”), between the County and the Corporation;

(2) the Installment Purchase and Use Agreement, dated as of [May 1, 2024] (the “Purchase and Use Agreement”), between the Corporation and the County;

(3) the Trust Agreement;

(4) the Purchase Contract;

(5) the Preliminary Official Statement, dated _____, 2024 (the “Preliminary Official Statement”), and an executed copy of the Official Statement, dated _____, 2024 (the “Official Statement”) (provided, however, that we have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version), each relating to the Series 2024 Bonds; and

(6) the Series 2024 Bonds.

(e) the Base Lease, the Purchase and Use Agreement, the Trust Agreement, and the Purchase Contract (collectively, the “Corporation Contracts”), the Preliminary Official Statement, the Official Statement, and the Series 2024 Bonds.

We have also examined such resolutions, documents, certificates, records and instruments, in each case, as we have deemed relevant and necessary to enable us to express the opinions hereinafter set forth. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

As to questions of fact material to our opinion, we have relied upon representations and certificates of officers and other representatives of the Corporation and the County, public officials and others, in each case without undertaking to verify the same by independent investigation. In rendering the opinions set forth below, we have assumed, with your permission, (a) the genuineness of all signatures (other than the Corporation) and the authenticity of all documents submitted to or received by us as originals, the conformity with original documents of all documents submitted to us as certified, conformed, or photostatic copies or telecopies; (b) that the Corporation Contracts have each been duly authorized, executed, and delivered by the parties thereto (other than the Corporation) and constitute the legal, valid, and binding obligations of, and are enforceable in accordance with their respective terms against, the parties thereto (other than the Corporation); (c) that the parties to the Corporation Contracts have complied and will continue to comply with all requirements of good faith, fair dealing, and conscionability, and have acted and will continue to act in a commercially reasonable manner; (d) that there has not been any mutual mistake of fact or misunderstanding, fraud, duress, or undue influence between

the parties to the Corporation Contracts; and (e) that the Corporation has all requisite right, title, and interest in and to any collateral purported to be pledged by it in any Corporation Contracts.

As counsel to the Corporation, we have been retained solely for the purpose of examining the validity and legality of the Corporation Contracts and of rendering the specific opinions herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended) to the Corporation in connection with the execution and delivery of the Corporation Contracts. We have not verified the accuracy, completeness, fairness or adequacy of any representation or information concerning the business or financial condition of the Corporation in connection with the Corporation Contracts. Accordingly, we express no opinion on the accuracy, completeness, fairness or adequacy of any such representation or information.

Based on this examination, we are of the opinion as of the date hereof and under existing laws, as follows:

1. The Corporation is a nonprofit corporation duly organized and validly existing under and by virtue of the laws of the State of South Carolina (the “State”) and has all requisite power and authority to adopt the Resolution, to lease the property demised and conveyed by the Base Lease from the County, to sell the property conveyed by the Purchase and Use Agreement to the County, to issue the Series 2024 Bonds for the benefit of the County as contemplated by the Purchase and Use Agreement, to enter into and consummate its obligations under the Corporation Contracts, to execute and deliver the Official Statement to the Underwriter for distribution to the general public in connection with the offering by the Underwriter of the Series 2024 Bonds, and to grant the liens and security interest granted by it to the Trustee under the Trust Agreement.

2. The Resolution has been duly adopted by the Corporation and is in full force and effect. The Corporation Contracts have been duly authorized, executed, and delivered by the Corporation and are each in full force and effect and constitute the valid, binding, and legally enforceable obligations of the Corporation.

3. The Official Statement dated _____, 2024 has been duly authorized and delivered for distribution in connection with the sale of the Series 2024 Bonds.

4. To our knowledge, the execution and delivery by the Corporation of the Corporation Contracts and compliance with the provisions of each will not conflict with or constitute on the part of the Corporation a breach of or a default under the Corporation’s articles of incorporation or bylaws, or under any indenture, mortgage, commitment, agreement or other instrument to which the Corporation is a party or by which it is bound, or under any existing law, rule, regulation, judgment, order or decree to which the Corporation is subject.

5. To our knowledge, the statements contained in the Official Statement under the captions “INTRODUCTION – The Issuer,” “THE ISSUER” and “LEGAL MATTERS – Litigation” (related to the Corporation) are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the

circumstances under which they were made, not misleading; provided, however, that we express no belief as to the financial statements and other financial or statistical data included or incorporated by reference into the Official Statement.

6. To the best of our knowledge, with respect to the Corporation (i) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, by or before any court or public board or body pending or threatened (a) restraining or enjoining the issuance, sale, execution, or delivery of the Series 2024 Bonds; (b) attempting to limit, enjoin or otherwise restrict or prevent the Corporation from functioning or contesting or questioning the existence of the Corporation or the title of the present officers of the Corporation to their offices; or (c) wherein an unfavorable decision, ruling or finding would adversely affect the transactions or the validity of the Series 2024 Bonds or the Corporation Contracts.

The opinions expressed above are subject to the following additional assumptions, qualifications and limitations:

(A) The rights of the parties under the Corporation Contracts and the enforceability of the Corporation Contracts may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally heretofore or hereafter enacted to the extent of their enforcement, and (b) judicial discretion in the application of principles of equity.

(B) No opinion is expressed as to the enforceability of provisions in the Corporation Contracts (i) specifying that provisions thereof may only be waived in writing; (ii) purporting to require the indemnification of or contribution to a party with respect to liability for its own negligence or misconduct or indemnifying a party for liability imposed under the securities laws or for any other purpose; (iii) purporting to select the laws governing such documents or the forums in which any disputes are to be conducted, or which purport to compel any arbitration, mediation, or similar proceeding; (iv) limiting available remedies; (v) with respect to severability, exculpation, or setoff or self-help rights generally; (vi) by which a party purports to waive any rights to receive notices or service of process, rights to jury trial, or to contest jurisdiction or venue, rights to assert certain defenses or counterclaims or rights for marshaling of assets, or any other legal or equitable rights otherwise available to such party; (vii) purporting to grant a party the right to obtain a receiver, which determination is subject to equitable principles and the discretion of the courts; (viii) by which a party covenants to take actions the taking of which are discretionary with, or subject to a contingency the fulfillment of which is not within the control of, the party so covenanting; (ix) by which a party purports to appoint any other party as its agent or attorney-in-fact; or (x) which provide that the agreements therein shall obligate or benefit any party other than the parties signatory to such Corporation Contracts.

(C) No opinion is expressed as to (i) the ability to exercise remedies upon the occurrence of any breach that is determined to be immaterial in nature; (ii) the effect of other agreements or understandings among the parties to the Corporation Contracts, whether written or oral, or any usage of trade or course of prior dealing among the parties thereto, or whether any of the foregoing would define, supplement, or qualify the terms of the Corporation Contracts; (iii) federal or state securities or antitrust (or related) laws or federal or state tax laws; or (iv) the existence of rights or title on the part of any party to any properties or items purported to be

pledged, the existence of any items purported to be pledged, the giving of value in connection with any security interest, the granting of any security interest in securities, the priority of any liens or security interests, or the presence or absence of any other liens or encumbrances thereon or claims thereto.

(D) Whenever a statement herein is qualified “to our knowledge” or words of similar import, it is intended to indicate that, during the course of our engagement in this matter, no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of those (and only those) attorneys in this firm who have rendered legal services in connection with the transactions described in the introductory paragraph of this opinion letter.

No opinion is given herein as to the tax-exempt status of the Series 2024 Bonds under federal or state law or the interest thereon. No opinion is given concerning the requirement for registration of the Series 2024 Bonds under the securities laws of any state or the Securities Act of 1933, as amended, nor is an opinion given concerning qualification of any document under the Trust Indenture Act of 1939, as amended, nor is any opinion given as to the proper filing, recordation, or other necessary steps for perfecting a security interest under the Uniform Commercial Code or other like statute or to establish a lien or other matter of record in the real property records. [With respect to matters of title, reference is made to the title insurance policy of Old Republic National Title Insurance Company] delivered in connection with the issuance of the Series 2024 Bonds.

This opinion is rendered to and may be relied upon solely by you as Underwriter and may not be relied upon by any other persons, firms or corporations without our prior written consent in each instance.

We are members of the State Bar of South Carolina. The opinions herein are limited to the laws of the State of South Carolina and any applicable federal laws of the United States. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

FORM OF OPINION OF DISCLOSURE COUNSEL

_____, 2024

Laurens County, South Carolina
Laurens, South Carolina

Laurens County Public Facilities Corporation
Laurens, South Carolina

Wells Fargo Bank, National Association
Charlotte, North Carolina

Re: \$_____ Laurens County Public Facilities Corporation Installment Purchase
Revenue Bonds (Laurens County Public Facilities Project), Series 2024

Ladies and Gentlemen:

We have acted as disclosure counsel to Laurens County, South Carolina (the “County”) and Laurens County Public Facilities Corporation (the “Issuer”), in connection with the issuance of \$_____ aggregate principal amount of Laurens County Public Facilities Corporation Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “Series 2024 Bonds”). This opinion is being delivered to you pursuant to Section 8(e)(x) of the Purchase Contract dated _____, 2024 (the “Purchase Contract”), among the County, the Issuer and Wells Fargo Bank, National Association, as Underwriter. Terms defined in the Purchase Contract are used in this letter with the meanings assigned to them in the Purchase Contract.

In such capacity, we have examined the Official Statement dated _____, 2024 (the “Official Statement”), with respect to the Series 2024 Bonds, and the Purchase Contract, and have examined and relied on originals or copies identified to our satisfaction of such records of the County and the Issuer, such other agreements and instruments, such certificates of public officials, officers of the County and the Issuer and such other persons, and such other documents, as we have deemed necessary as a basis for the opinion hereinafter expressed. In all such examinations, we have assumed the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of all documents submitted to us as original documents and the authenticity of originals of all documents submitted as certified or photostatic copies.

In accordance with our understanding with the County and the Issuer, we have rendered legal advice and assistance to the County and the Issuer in the course of their investigation pertaining to, and their participation in the preparation of, the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and

related matters and the review of certain documents. We have also participated in conferences and telephone conferences with representatives of the County and the Issuer during which the contents of the Official Statement and related matters were discussed and reviewed.

We have not independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement. Based, however, solely on our participation in the preparation of the Official Statement and on the basis of the information that was developed in the course of the performance of the services referred to in the foregoing paragraph, considered in light of our understanding of the applicable law and the experience we have gained through our practice, we advise you that no facts have come to our attention that cause us to believe that the Official Statement (other than the operating statistics, financial statements and schedules and related notes, statistical or financial data derived therefrom or other statistical or financial information included or incorporated therein, the information therein relating to The Depository Trust Company and its affiliates and the book-entry-only system of registration and transfer and the information therein under the caption “DESCRIPTION OF THE SERIES 2024 BONDS—Book-Entry System,” and other information contained in Appendices B, C, D, F and G as to which we express no view or opinion) as of the date thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Series 2024 Bonds. The opinions expressed above are rendered solely for the benefit of the addressees above in connection with the issuance of the Series 2024 Bonds. These opinions may neither be relied on by such addressees for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS (LAURENS COUNTY PUBLIC
FACILITIES PROJECT)
SERIES 2024**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Wells Fargo Bank, National Association (the “Underwriter”) hereby certifies as set forth below with respect to the execution and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) [As set forth in the Purchase Contract dated _____, 2024, among the Underwriter, Laurens County, South Carolina (the “County”), and Laurens County Public Facilities Corporation (the “Issuer”), the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, the Underwriter has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. **Defined Terms.**

(a) *County* means Laurens County, South Carolina.

(b) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(c) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

(d) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2024), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(e) *Issuer* means Laurens County Public Facilities Corporation.

(f) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the County and the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

4. **Weighted Average Maturity.** Using a methodology acceptable to Bond Counsel, we have calculated the weighted average maturity of the Series 2024 Bonds using the issue price of the Series 2024 Bonds as of the date of the issue date of the Series 2024 Bonds to be _____ years.

5. **Bond Yield.** Using a methodology acceptable to Bond Counsel, we have calculated the yield on the Series 2024 Bonds for purposes of Section 1.148-4(b) of the Regulations as of the date of this certificate to be equal to _____%.

6. **Compensation.** The Underwriter has not received, and will not receive, any compensation from the proceeds of the sale of the Series 2024 Bonds in excess of the Underwriter's discount equal to \$ _____.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the County with respect to certain of the representations set forth in the tax certificate of the Issuer and the County, related to the Bonds, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Pope Flynn, LLC, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer and the County from time to time relating to the Bonds.

Wells Fargo Bank, National Association, as
Underwriter

Dated: _____, 2024

By: _____
Name: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

GENERAL RULE MATURITIES

<u>Maturity Date</u> <u>(September 1)</u>	<u>Yield</u> %	<u>Maturity Date</u> <u>(September 1)</u>	<u>Yield</u> %
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HOLD-THE-OFFERING-PRICE MATURITIES

NONE

SCHEDULE B

PRICE WIRE OR EQUIVALENT COMMUNICATION

(Attached)

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2024

**NEW ISSUE
BOOK-ENTRY ONLY****RATINGS:**
S&P: __ (insured) / __ (underlying)
(See "RATINGS" herein)

In the opinion of Pope Flynn, LLC, Bond Counsel, under existing law, assuming continuing compliance by the Issuer and the County with certain covenants and the accuracy of certain representations, interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Such interest is, however, included in the "adjusted financial statement income" of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. In the opinion of Bond Counsel, the Series 2024 Bonds and the interest thereon are exempt from all State, county, municipal, school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes. See "TAX MATTERS" herein for a description of these and other tax considerations.



\$_[PAR]*
LAURENS COUNTY, SOUTH CAROLINA
LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024

Dated: Date of Delivery**Due: September 1, as shown on inside cover**

The \$[PAR] Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the "Series 2024 Bonds") are being issued by Laurens County Public Facilities Corporation (the "Issuer") for the purpose of providing funds, together with other amounts, (i) to defray the cost of the construction, reconstruction, acquisition, installation, renovation, and equipping of certain judicial and administrative facilities for use by Laurens County, South Carolina (the "2024 Project," as further described herein), (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds, including any premium due on any municipal bond insurance policy. See "PLAN OF FINANCE" herein.

The Series 2024 Bonds are payable from and secured solely by the Trust Estate (as defined herein) created under the Trust Agreement to be dated as of [May 1, 2024], between the Issuer and U.S. Bank Trust Company, National Association, as trustee. The Trust Estate consists primarily of the Issuer's right, title, and interest in the Revenues (as defined in APPENDIX C), including without limitation Installment Payments (as defined herein), under the Installment Purchase and Use Agreement to be dated as of [May 1, 2024] (the "Purchase and Use Agreement") between the Issuer and Laurens County, South Carolina (the "County") which include (a) Base Payments (as defined herein) payable by the County to the Issuer at times and in amounts calculated to be sufficient to enable the Issuer to pay the principal of and interest on the Series 2024 Bonds when due and payable, and (b) certain other amounts receivable by the Issuer under the Purchase and Use Agreement (subject in each case to certain reserved rights). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds will be issued initially as registered bonds in denominations of \$5,000 and integral multiples thereof in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2024 Bonds under a book-entry-only system, as described herein. So long as the Series 2024 Bonds are held in book-entry-only form, beneficial owners of Series 2024 Bonds will not receive physical delivery of bond certificates. Interest on the Series 2024 Bonds is payable semiannually on March 1 and September 1 of each year commencing September 1, 2024, until maturity, and principal of the Series 2024 Bonds is payable on September 1 in the years and amounts set forth on the inside front cover page, by payment to DTC or its nominee as the registered owner of the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds are subject to optional, special optional[, and mandatory sinking fund] redemption as set forth herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption" herein.

THE FINANCIAL OBLIGATIONS OF THE COUNTY UNDER THE PURCHASE AND USE AGREEMENT DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE COUNTY TO WHICH ITS FAITH AND CREDIT OR TAXING POWER ARE PLEDGED, BUT ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS OF FUNDS BEING MADE BY THE COUNTY COUNCIL OF THE COUNTY TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT FROM ANY LEGALLY AVAILABLE SOURCE. THE COUNTY'S OBLIGATIONS UNDER THE PURCHASE AND USE AGREEMENT ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE COUNTY IN ANY FISCAL YEAR IN WHICH FUNDS ARE NOT APPROPRIATED BY THE COUNTY COUNCIL TO PAY THE INSTALLMENT PAYMENTS DUE IN SUCH FISCAL YEAR. THE COUNTY HAS NO CONTINUING OBLIGATION TO APPROPRIATE FUNDS TO PAY INSTALLMENT PAYMENTS DUE UNDER THE PURCHASE AND USE AGREEMENT AND MAY TERMINATE ITS OBLIGATIONS UNDER THE PURCHASE AND USE AGREEMENT ON AN ANNUAL BASIS WITHOUT ANY PENALTY. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" AND "INVESTMENT CONSIDERATIONS" HEREIN.

[The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by _____.]

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Issuer and the County deem this Preliminary Official Statement to be final as of its date for purposes of U.S. Securities and Exchange Commission Rule 15c2-12 (the "Rule"), except for information which may be omitted pursuant to the Rule.

The Series 2024 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to the delivery of an approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Pope Flynn, LLC is also acting as Disclosure Counsel to the Issuer and the County in connection with the offer and sale of the Series 2024 Bonds. Certain legal matters will be passed on for the County by its counsel, Pope Flynn, LLC, Columbia, South Carolina, for the Issuer by its counsel, Smith Robinson Holler DuBose and Morgan, LLC, Camden, South Carolina, and for the Underwriter by its counsel, Burr & Forman LLP, Columbia, South Carolina. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, serves as municipal advisor to the County in connection with the issuance of the Series 2024 Bonds. It is expected that the Series 2024 Bonds will be available in definitive form for delivery through the facilities of DTC on or about [May 1, 2024], against payment therefor.

Wells Fargo Securities

LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024

\$ _____ * Series 2024 Serial Bonds

Due September 1	Principal Amount	Interest Rate	Yield	CUSIP [†]
--------------------	---------------------	------------------	-------	--------------------

\$ _____ * Series 2024 Term Bonds

\$ _____ * _____ % Term Bond due September 1, 20 __, Yield of _____ %^c, CUSIP[†] _____

\$ _____ * _____ % Term Bond due September 1, 20 __, Yield of _____ %^c, CUSIP[†] _____

\$ _____ * _____ % Term Bond due September 1, 20 __, Yield of _____ %^c, CUSIP[†] _____

* Preliminary, subject to change.

† CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2023 CUSIP Global Services. All rights reserved. CUSIP[®] numbers are set forth herein for the convenience of reference only. CUSIP data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference only. Neither the Issuer, the County nor the Underwriter or their respective agents or counsel assume responsibility for the accuracy of such numbers.

DISCLAIMERS REGARDING USE OF THIS OFFICIAL STATEMENT

The Issuer and the County deem this Preliminary Official Statement to be final as of its date for purposes of U.S. Securities and Exchange Commission Rule 15c2-12 (the “Rule”), except for information which may be omitted pursuant to the Rule.

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2024 Bonds identified on the cover pages hereof. No dealer, broker, salesman or other person has been authorized by the Issuer or the County to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer and the County. Information in this Official Statement has been obtained by the Issuer and the County from sources believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and the County since the date hereof.

Upon execution and delivery, the Series 2024 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange, and no indenture will be qualified with respect to the Series 2024 Bonds under the Trust Indenture Act of 1939, as amended. Neither the United States Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2024 Bonds for sale. Any representation to the contrary is a criminal offense.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stifel, Nicolaus & Company, Incorporated (the “*Municipal Advisor*”) is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

[Bond Insurer Disclosure Statements]

U.S. Bank Trust Company, National Association, as Trustee (as defined herein), has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the Series 2024 Bonds, or (iii) the tax-exempt status of the interest on the Series 2024 Bonds.

No quotations or summaries or explanation of provisions of law and documents herein purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Issuer or the County and the purchasers or owners of the Series 2024 Bonds. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover pages hereof and the Appendices attached hereto are part of this Official Statement.

The information in “APPENDIX G – Description of Book-Entry-Only System” hereto has been obtained from The Depository Trust Company, and no representation is made by the Issuer or the County as to the completeness or accuracy of such information.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. No hyperlinks are intended to be working hyperlinks and unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

Cautionary Statement Regarding Forward-Looking Information

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "budgets" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the County each disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or the County's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

LAURENS COUNTY PUBLIC FACILITIES CORPORATION

100 Hillcrest Square
Laurens, South Carolina 29360

Board of Directors

Barton Holmes
Harold Nichols
Billy Wilson

Officers

Barton Holmes, President
Cheyenne G. Noffz, Secretary
Renee Morrow, Treasurer

LAURENS COUNTY, SOUTH CAROLINA

100 Hillcrest Square
Laurens, South Carolina 29360

County Council

W. Brown Patterson, Chairman

Jeffrey Dean Carroll, Vice Chairman
Diane B. Anderson
Shirley H. Clark

Luke Rankin
David E. Tribble, Jr.
M. Kemp Younts

Administration

Thomas R. Higgs, II, County Administrator

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Pope Flynn, LLC
Columbia, South Carolina

Counsel to the County

Pope Flynn, LLC
Columbia, South Carolina

Trustee, Paying Agent, and Registrar

U.S. Bank Trust Company, National Association
Columbia, South Carolina

Counsel to the Issuer

Smith Robinson Holler DuBose and Morgan, LLC
Camden, South Carolina

Municipal Advisor

Stifel, Nicolaus & Company, Incorporated
Columbia, South Carolina

Underwriter's Counsel

Burr & Forman LLP
Columbia, South Carolina

Underwriter

Wells Fargo Bank, National Association
Charlotte, North Carolina

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OFFICIAL STATEMENT

[\$[PAR]]*
LAURENS COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(LAURENS COUNTY PUBLIC FACILITIES PROJECT)
SERIES 2024

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover pages and Appendices hereto, is to furnish certain information in connection with the sale by Laurens County Public Facilities Corporation (the “*Issuer*”) of its [\$[PAR]]* aggregate principal amount Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “*Series 2024 Bonds*”). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in “FORMS OF CERTAIN FINANCING DOCUMENTS” attached as APPENDIX C to this Official Statement.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover pages and Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2024 Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement.

The Issuer

The Issuer is a nonprofit corporation organized and existing under Title 33, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”). The Issuer is governed by its Board of Directors (the “*Board of Directors*”). For more information regarding the Issuer, see “THE ISSUER” herein.

The County

Laurens County, South Carolina (the “*County*”), is a body politic and corporate and a political subdivision of the State of South Carolina. The County Council of Laurens County (the “*County Council*”) is the governing body of the County. For more information regarding the County, see “THE COUNTY” herein and “APPENDIX A – DESCRIPTION OF LAURENS COUNTY” hereto.

The Trustee

U.S. Bank Trust Company, National Association will act as trustee, bond registrar, and paying agent (in such capacities, the “*Trustee*”) for the Series 2024 Bonds under the Trust Agreement to be dated as of [May 1, 2024], between the Issuer and the Trustee (the “*Trust Agreement*”).

*Preliminary, subject to change.

Authorization

The Series 2024 Bonds are being issued and secured pursuant to the authority granted by Chapter 31 of Title 33 of the South Carolina Code, known as the “*South Carolina Nonprofit Corporation Act of 1994*” and under the provisions of a Bond Resolution of the Issuer, adopted by the Board of Directors on April 4, 2024 (the “*Bond Resolution*”).

The County is authorized by Title 4, Chapter 9 of the South Carolina Code to “enact regulations, resolutions, and ordinances, not inconsistent with the Constitution and general law of this State, including the exercise of these powers in relation to health and order in counties or respecting any subject as appears to them necessary and proper for the security, general welfare, and convenience of counties or for preserving health, peace, order, and good government in them” and to acquire, lease, and otherwise dispose of real property. By Ordinance enacted on April 8, 2024, the County Council approved the issuance by the Issuer of the Series 2024 Bonds and the entry by the County into the Base Lease, the Purchase and Use Agreement, and the Disclosure Dissemination Agreement (each as defined herein), and approved the form of the Trust Agreement.

Purpose

The Series 2024 Bonds are being issued for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2024 Project (as defined herein), (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on any municipal bond insurance policy. See “PLAN OF FINANCE” herein.

Summary Terms

The Series 2024 Bonds will be dated and issued on their date of delivery, which is expected to be on or about [May 1, 2024] (the “*Delivery Date*”). The Series 2024 Bonds mature as to principal on September 1 in the years and amounts set forth on the inside front cover page of this Official Statement. Interest on the Series 2024 Bonds is payable on each March 1 and September 1 of each year, commencing September 1, 2024, until the Series 2024 Bonds are paid in full. The Series 2024 Bonds are subject to optional, special optional, [and mandatory] redemption prior to maturity. The Series 2024 Bonds are issuable in denominations of \$5,000 and any integral multiple thereof.

Security and Sources of Payment

The Series 2024 Bonds are obligations of the Issuer, payable from and secured solely by the Trust Estate (as defined herein) created under the Trust Agreement.

Pursuant to the provisions of a Base Lease Agreement between the County and the Issuer, to be dated as of [May 1, 2024] (the “*Base Lease*”), and at the commencement thereof, the County will convey all the existing improvements situated on the real property on which the 2024 Project will be located (the “*2024 Real Property*”) to the Issuer in connection with the 2024 Project. During the term of the Series 2024 Bonds, the Issuer will lease from the County the 2024 Real Property on which the Facilities (as such term is defined in “PLAN OF FINANCE – Financing of the 2024 Project” below) are or will be located, so that the Issuer may provide for (i) the issuance by the Issuer of the Series 2024 Bonds, and (ii) the 2024 Project.

Pursuant to the Installment Purchase and Use Agreement, to be dated as of [May 1, 2024] (the “*Purchase and Use Agreement*”) between the Issuer and the County, the County will agree to purchase the Facilities from the Issuer by making the Base Payments (as such terms are more particularly described herein) which, together with certain other Additional Payments (as such term is more particularly defined herein), comprise the Installment Payments. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS” herein. The Purchase and Use Agreement will obligate the County to make, subject to discretionary appropriation of funds for such purpose by County Council, semiannual Installment Payments to the Issuer which consist of Base Payments constituting the purchase price of an undivided ownership interest in the Facilities, and Additional Payments which constitute other amounts that may be payable under the Purchase and Use Agreement. See “INVESTMENT CONSIDERATIONS” herein. The Installment Payments are in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, and interest on the Series 2024 Bonds, plus such other amounts, if any, as

may be owed by the County to the Issuer from time to time. See “PLAN OF FINANCE” herein and “FORMS OF CERTAIN FINANCING DOCUMENTS” in APPENDIX C attached hereto.

To secure its obligations with respect to the Series 2024 Bonds, the Issuer will enter into the Trust Agreement, pursuant to which the Issuer will assign to the Trustee, and grant a security interest in (a) all of the Issuer’s right, title and interest in and to the Revenues (as defined in APPENDIX C hereto), including, without limitation, all Installment Payments, and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement (except for certain amounts and rights reserved to the Issuer (the “*Reserved Rights*,” as more particularly defined in APPENDIX C)), (b) all of the Issuer’s right, title and interest in and to the Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2024 Real Property (including its right, title and interest in and to (1) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the 2024 Real Property, and from and in connection with the Issuer’s ownership of the Facilities, and (2) all leases of all or part of the Facilities or the 2024 Real Property, any guarantees of lessees’ obligations thereof and any contracts, agreements, licenses and permits affecting the Facilities, the 2024 Real Property or any part thereof), (c) all of the Issuer’s rights with respect to any insurance or condemnation proceeds with respect to the Facilities, the 2024 Real Property or any portion thereof and the proceeds of any other collateral granted under the Trust Agreement or assigned thereby as security for the Series 2024 Bonds, and (d) all moneys and investments held in the funds and accounts created under the Trust Agreement, except funds and accounts created for the payment of arbitrage rebate and all income thereon (collectively, the “*Trust Estate*”).

The Series 2024 Bonds will be equally and ratably secured on a parity basis with any additional revenue bonds of the Issuer hereafter issued, except as to the subaccounts held within the Acquisition Account, which will only secure the series of Bonds (as defined herein) for which they were created.

The Series 2024 Bonds and any additional revenue bonds of the Issuer hereafter issued on a parity basis with the Series 2024 Bonds are collectively referred to as the “*Bonds*” in this Official Statement.

Payment Sources

The County expects that it will make payments required under the Purchase and Use Agreement from one or more of several sources, including (i) moneys from the County’s general fund, (ii) excess revenues available from FILOT (as defined in Appendix A), and (iii) any other available source of revenues. These revenue sources are not exclusive, and the County may choose to apply other lawfully available revenues to the payment of Installment Payments (when lawfully appropriated by the County Council, the above-referenced sources and other lawfully available revenues are collectively referred to as the “*Available Sources*” and also see the definition of Available Sources in the Purchase and Use Agreement).

It is the County’s present intention to make the Installment Payments from any Available Source. The County may issue its general obligation debt, either in the form of general obligation bonds or bond anticipation notes, from time to time, to provide funds (together with other Available Sources) to make Installment Payments when due under the Purchase and Use Agreement. The County is authorized by the State Constitution to incur general obligation debt without voter approval in an amount not exceeding 8% of the assessed value of all taxable property of the County. The County will be required to levy an *ad valorem* tax to pay debt service on the general obligation bonds to the extent sufficient amounts from other sources are not timely deposited to the sinking fund therefor.

The financial obligations of the County and the Issuer under the Purchase and Use Agreement and Trust Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are payable solely from such funds as may be appropriated in the discretion of County Council for such purpose.

The County has indicated in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the County does not create a contractual obligation on its part. The County has made no representation or warranty as to its ability to issue general obligation debt in the future.

The County’s obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any Fiscal Year (as defined herein) in which funds are not appropriated by the County to pay the Installment Payments due in such Fiscal Year. The County has no continuing obligation to appropriate funds to pay Installment Payments due under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without any penalty. See “INVESTMENT CONSIDERATIONS” herein.

Tax Matters

In the opinion of Pope Flynn, LLC, Bond Counsel, under existing law, assuming continuing compliance by the Issuer and the County with certain covenants and the accuracy of certain representations, interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Such interest is, however, included in the “adjusted financial statement income” of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. In the opinion of Bond Counsel, the Series 2024 Bonds and the interest thereon are exempt from all State of South Carolina (“State”), county, municipal, school district and other taxes or assessments imposed within the State, except estate, transfer, and certain franchise taxes. See “TAX MATTERS” herein for a description of these and other tax considerations.

Professionals Involved in the Offering

Certain legal matters pertaining to the Issuer and the County and the authorization and issuance of the Series 2024 Bonds are subject to the approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2024 Bonds, and a copy of the proposed form of such opinion is attached hereto as APPENDIX D. Pope Flynn, LLC is also acting as Disclosure Counsel to the Issuer and the County in connection with the offer and sale of the Series 2024 Bonds. Certain legal matters will be passed on for the County by Pope Flynn, LLC, Columbia, South Carolina, counsel to the County, and for the Issuer by Smith Robinson Holler DuBose and Morgan, LLC, Camden, South Carolina, counsel to the Issuer, and for the Underwriter by its counsel, Burr & Forman LLP, Columbia, South Carolina. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, serves as municipal advisor (the “Municipal Advisor”) to the County in connection with the issuance of the Series 2024 Bonds. The audited financial statements of the County as of June 30, 2023, and for the year then ended, attached hereto as APPENDIX B, have been audited by Love Bailey & Associates, LLC, Laurens, South Carolina, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in APPENDIX B hereto. See “FINANCIAL STATEMENTS” herein.

Offering and Delivery

The Series 2024 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2024 Bonds in definitive form are expected to be delivered to The Depository Trust Company in New York, New York (“DTC”) on or about [May 1, 2024]. The Series 2024 Bonds will be initially issued in book-entry only form through the facilities of DTC. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2024 Bonds, payments of the principal of and interest on the Series 2024 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Series 2024 Bonds. See “DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry System” herein and “APPENDIX G – Description of Book-Entry-Only System” hereto for more detailed information regarding the book-entry system.

Continuing Disclosure

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2024 Bonds, and the Issuer will not provide any such information. The County has undertaken all responsibilities for any continuing disclosure to beneficial owners of the Series 2024 Bonds as described below, and the Issuer will have no liability to the beneficial owners of the Series 2024 Bonds or any other person with respect to such disclosures.

The County will covenant in the Purchase and Use Agreement to execute and deliver prior to closing, and to thereafter comply with the terms of, a Disclosure Dissemination Agent Agreement to be dated and effective as of the issuance of the Series 2024 Bonds (the “*Disclosure Dissemination Agreement*”) between the County and Digital Assurance Certification, L.L.C. (“*DAC*”) in substantially the form attached hereto as APPENDIX E. See “CONTINUING DISCLOSURE” herein and APPENDIX E hereto for additional information.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “budgets” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the County each disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s or the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

The Series 2024 Bonds and their underlying obligations have not been registered under the Securities Act of 1933, as amended, and the Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained in such Acts.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the County, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the County, or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer or the County. The information set forth herein has been obtained by the Issuer and the County from sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter. The Issuer has not provided information regarding the County and does not certify as to the accuracy or sufficiency of the disclosure practices of or content of the information provided by the County and is not responsible for the information provided by the County. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

PLAN OF FINANCE

Financing of the 2024 Project

The Series 2024 Bonds are being issued for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2024 Project, (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on any municipal bond insurance policy.

The 2024 Project encompasses the construction, reconstruction, acquisition, installation, renovation, and equipping of the County’s historic courthouse and Hillcrest Complex East. The historic courthouse will be renovated and equipped to provide County Council and other public meeting space (the “*Historic Courthouse Component*”).

Hillcrest Complex East is a former shopping center structure the County is repurposing to provide a wide array of County services including emergency medical services (EMS) facilities, including an operations center and headquarters; public safety facilities, including 911 call center and fire station headquarters; graphical information system (GIS) facilities; coroner facilities; and other administrative facilities for use by the County (the “*Hillcrest Complex East Component*” and together with the Historic Courthouse Component, the “*Facilities Components*”). The estimated total cost of the 2024 Project is [\$34,000,000]; [\$_____ from the proceeds of the Series 2024 Bonds and \$_____ from the Costs Advanced.]

The Facilities Components, along with all personal property located therein that is financed with proceeds of the Series 2024 Bonds comprise the “*Facilities*.” The Facilities will be initially owned by the Issuer, and thereafter purchased and used by the County under and pursuant to the provisions of the Purchase and Use Agreement. It is expected that the Facilities Components will be substantially complete within a year of closing of the Series 2024 Bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2024 Bonds are estimated below.

Estimated Sources of Funds:

Par Amount of Series 2024 Bonds	\$[PAR]
Original Issue Premium / Discount	
Total Sources:	

Estimated Uses of Funds:

Deposit to Project Fund	\$
Deposit to Acquisition Account	
Deposit to Costs of Issuance Fund ¹	
Total Uses:	

¹ Includes various professional fees, [the premium for the Policy (as defined herein)], underwriter’s discount, and miscellaneous costs.

THE ISSUER

The Issuer is a South Carolina nonprofit, public benefit corporation incorporated on January 12, 2024. The Issuer is governed by a three-member board of directors. The officers of the Issuer are Barton Holmes, President; Cheyenne G. Noffz, Secretary; and Renee Morrow, Treasurer. Barton Holmes, Harold Nichols, and Billy Wilson are the present directors of the Issuer. Each director has one vote.

The Issuer will have a leasehold interest in the 2024 Real Property and fee ownership in the Facilities, as more fully provided in the Base Lease and the Purchase and Use Agreement, and has no taxing authority and no net worth. The Issuer is established as a single-purpose corporate entity that is limited by its articles of incorporation from engaging in any business other than to own and lease facilities to be used for governmental functions in connection with the financing of such facilities. The Articles of Incorporation and Bylaws of the Issuer provide that the Issuer has been organized exclusively for public and charitable purposes.

The Issuer has no operating history, does not now have, nor will it have in the future, assets other than its leasehold interest in the 2024 Real Property and its fee interest in the Facilities.

The Articles of Incorporation of the Issuer provide that, upon the dissolution of the Issuer, the remaining assets of the Issuer will be distributed to one or more governmental entities or exempt organizations described in Section 501(c)(3) of the Code.

By the terms of the Bond Resolution, the directors of the Issuer approved the issuance of the Series 2024 Bonds and entry into the Base Lease, Purchase and Use Agreement, and Trust Agreement.

THE COUNTY

See APPENDIX A for financial, statistical, and demographic information with respect to the County. Also included in APPENDIX A is certain information and data pertaining to the County. See APPENDIX B for the audited financial statements of the County for the fiscal year ended June 30, 2023 (a “*Fiscal Year*”; references to a Fiscal Year followed by a year (e.g. “*Fiscal Year 2023*”), shall mean the Fiscal Year of the County ended June 30 of the year stated).

DESCRIPTION OF THE SERIES 2024 BONDS

The Series 2024 Bonds will be dated the Delivery Date and will bear interest at the rates listed on the inside front cover page of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2024 Bonds shall be payable initially on September 1, 2024, and semiannually thereafter on March 1 and September 1 of each year (each a “*Bond Payment Date*”) and principal on the Series 2024 Bonds shall be payable on September 1 in the years and amounts set forth on the inside front cover page of this Official Statement, unless earlier redeemed (see “– Redemption” below). Interest on the Series 2024 Bonds will be paid to the registered owners thereof as of the fifteenth day (whether or not a business day) of the calendar month next preceding a Bond Payment Date (each a “*Record Date*”).

The Series 2024 Bonds will bear interest from the later of the Delivery Date or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event each such Series 2024 Bond will bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from the Delivery Date.

The Series 2024 Bonds are issuable only as fully registered obligations in denominations of \$5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the Series 2024 Bonds will be made in book-entry form, and purchasers will not receive certificates representing interests in the Series 2024 Bonds so purchased. If the book-entry system is discontinued, Series 2024 Bonds will be delivered as described in the Trust Agreement, and Beneficial Owners (hereinafter defined) will become the registered owners of the Series 2024 Bonds. See “– Book-Entry System” herein.

Redemption

The Series 2024 Bonds are subject to optional, special optional, [and mandatory sinking fund] redemption prior to maturity as provided below.

Optional Redemption. At the option of the County, the Series 2024 Bonds maturing after September 1, 20__, are subject to redemption in whole or in part on or after September 1, 20__, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date of redemption.

Special Optional Redemption. The Series 2024 Bonds are subject to special optional redemption, in whole or in part on any date (as selected by the Trustee at the direction of the Issuer), as described in this Official Statement, in the event the County elects to prepay Base Payments pursuant to the provisions of the Purchase and Use Agreement relating to damage, destruction, condemnation, or a defect in title relating to all or a portion of the Facilities.

[*Mandatory Sinking Fund Redemption.* The Series 2024 Bonds maturing on September 1, 20__, shall be subject to mandatory sinking fund redemption commencing September 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on September 1, of each of the following years in the respective principal amounts for each year specified below:

<u>Year</u>	<u>Amount</u>
*	
<hr style="width: 20%; margin: auto;"/> * Final Maturity	

Any mandatory sinking fund redemption is subject to the provision that any partial redemption of Series 2024 Bonds described under “– *Optional Redemption*” above shall reduce the mandatory scheduled redemption requirements as described in this paragraph. In the event of a partial redemption of Series 2024 Bonds under “– *Optional Redemption*” above, the Trustee shall allocate the principal amount of Series 2024 Bonds redeemed against the next Series 2024 Bonds to be redeemed as described in this paragraph or otherwise as directed by a representative of the Issuer in writing at least 45 days prior to the date with respect to which any such credit is to be allocated.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for Series 2024 Bonds, the Issuer may deliver to the Trustee for cancellation Series 2024 Bonds of the maturity in any aggregate principal amount which have been purchased by the Issuer in the open market. Each Series 2024 Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Series 2024 Bonds on such mandatory sinking fund redemption date and any excess of such amount shall be credited against future mandatory scheduled redemption requirements in chronological order or such other order as directed in writing by the Issuer to the Trustee. The Issuer, will, on or before the 45th day preceding each mandatory sinking fund redemption date, furnish the Trustee with a certificate, signed by a representative of the Issuer, stating the extent to which the provisions of the first sentence of this paragraph are to be availed of with respect to such mandatory redemption requirements for such mandatory redemption date. Unless such certificate is so timely furnished to the Trustee, the mandatory redemption requirements for such mandatory redemption date shall not be reduced.]

Notice of Redemption of Series 2024 Bonds

Notice of redemption of the Series 2024 Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the holders, or in the alternative, the notice given by the Trustee to the holders expressly states that such redemption is conditioned upon the deposit of funds sufficient for the redemption by the Issuer and that failing such deposit no redemption shall take place. The notice of the call for redemption of Series 2024 Bonds shall identify (i) the CUSIP number or numbers, if any, of the Series 2024 Bonds to be redeemed; (ii) the numbers assigned to such Series 2024 Bonds, and in the case of Series 2024 Bonds called in part only, the amounts being redeemed; (iii) the date of the notice; (iv) the redemption date; (v) the redemption price; (vi) the address of the Trustee where such Series 2024 Bonds are to be presented, with the name and telephone number of a contact person, if available; (vii) the issue date of the Series 2024 Bonds; and (viii) the maturity date of the Series 2024 Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the holder of each Series 2024 Bond subject to redemption at the holder’s address shown on the Register (as defined in APPENDIX C) on the 15th date preceding that mailing.

The Series 2024 Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in the notice described in the preceding paragraph, and shall be paid at the redemption price plus interest accrued to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Series 2024 Bonds will not become due and payable until such condition has been satisfied.

If money for the redemption of all of the Series 2024 Bonds to be redeemed is held by the Trustee on the redemption date so as to be available therefor on that date, and if notice of redemption has been given as provided above, then from and after the redemption date those Series 2024 Bonds called for redemption shall no longer be entitled to payment of any sum other than the redemption price.

In the event Series 2024 Bonds which have been called for redemption are not presented to the Trustee for redemption on or prior to the 30th day following the redemption date, the Trustee shall notify the registered Holder thereof by facsimile or by certified or registered mail, return receipt requested, that such Series 2024 Bonds have been called and that the Trustee is holding funds for the payment of the redemption price thereof pending presentation by such Holder.

If less than all of the Series 2024 Bonds are called for redemption, the Series 2024 Bonds to be redeemed will be selected in the manner that the Issuer shall determine as set forth in a certificate of the Issuer filed with the Trustee. If less than all Series 2024 Bonds of any one maturity are called for redemption, the Trustee shall select the Series 2024 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2024 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2024 Bond is Cede & Co., such selection shall be made by DTC, as described herein under the heading “– Book-Entry System.”

Book-Entry System

The Series 2024 Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC, which will initially act as securities depository for the Series 2024 Bonds. One fully registered Series 2024 Bond certificate for each maturity of Series 2024 Bonds will be issued and deposited with DTC. Purchases of beneficial interests in such Series 2024 Bonds will be made in book-entry-only form. Purchasers will not receive certificates representing the ownership interest in the Series 2024 Bonds purchased by them. See “APPENDIX G – Description of Book-Entry-Only System” hereto.

Discontinuation of Book-Entry System

In the event that the Issuer determines that it is in the best interest of the Issuer not to continue the book-entry system or that the interest of the beneficial owners of the Series 2024 Bonds may be adversely affected if the book-entry system is continued, then the Issuer shall notify the Securities Depository and the Trustee of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2024 Bonds. In such event, the Issuer shall execute and the Trustee shall authenticate, register and deliver physical Series 2024 Bonds as requested by the Securities Depository or any Participant or Beneficial Owner of Series 2024 Bonds in appropriate authorized denominations in exchange for the Series 2024 Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Series 2024 Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Issuer may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Issuer shall either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2024 Bonds in the manner described above; provided, however, that the discontinuation of the book-entry system of registration and transfer with respect to the Series 2024 Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the U.S. Securities and Exchange Commission.

Defeasance

When the principal and interest on, any of the Series 2024 Bonds has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable under the Trust Agreement by the Issuer and the County, the right, title and interest of the Trustee with respect to such Series 2024 Bonds shall thereupon cease and the Trustee shall release the Trust Agreement and shall execute such documents to evidence such releases as may be reasonably required by the Issuer and shall turn over to the Issuer or to such person, body or authority as may be entitled to receive the same all balances then held by it thereunder. Provision for the payment of the Series 2024 Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, (i) cash in an amount sufficient to make all payments specified above with respect to all of

such Series 2024 Bonds, (ii) Defeasance Obligations (as defined in APPENDIX C) maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all payments specified above with respect to such Series 2024 Bonds, or (iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Series 2024 Bonds; provided that, to the extent such deposit does not consist of cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements of this paragraph.

Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Series 2024 Bonds more than 60 days prior to the date that such Series 2024 Bonds are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Series 2024 Bonds for the payment of which such moneys or obligations are being held, to the Holders of such Series 2024 Bonds.

ANNUAL DEBT SERVICE REQUIREMENTS

The annual debt service requirements of the Series 2024 Bonds are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
Totals			

Note: Totals may not foot due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

Limited Obligations

The Series 2024 Bonds are obligations of the Issuer payable solely from the Trust Estate pledged under the Trust Agreement. The Series 2024 Bonds are not payable from and are not secured by a lien, security interest, or encumbrance upon any other funds or assets of the Issuer.

The Series 2024 Bonds shall not constitute a general obligation of the County nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit or taxing power of, the County or the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the State, the County, or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2024 Bonds or other costs incident thereto. The Issuer has no taxing power.

Sources of Installment Payments

Generally

The County presently expects to make the Installment Payments from any Available Source.

As more fully set forth in the Purchase and Use Agreement, the term “*Installment Payments*” includes Base Payments and Additional Payments. The term “*Base Payments*” means the amounts payable by the County under the Purchase and Use Agreement sufficient in amount and time to enable the Issuer to pay the Series 2024 Bonds, including principal and interest. The term “*Additional Payments*” means the cost of insurance, administrative expenses, and other costs payable by the County with respect to the Facilities pursuant to the Purchase and Use Agreement. The County represents in the Purchase and Use Agreement that it has no reason to believe, as of the Delivery Date, that it will not continue making Installment Payments through the entire term of the Purchase and Use Agreement, and reasonably believes that it will pay the Installment Payments due or coming due under the Purchase and Use Agreement in order to continue to use the Facilities.

The County has indicated in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the County does not create a contractual obligation on its part. The County has made no representation or warranty as to its ability to issue general obligation debt in the future. No assurance may be given as to the County’s ability or future intent to issue general obligation debt for such purposes, or to make such payments or maintain its capacity from Available Sources to do so in the future. See “– Purchase and Use Agreement” and “INVESTMENT CONSIDERATIONS” herein and “FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement” in APPENDIX C hereto. The representations and covenants contained in the Purchase and Use Agreement are subject to the right of the County to terminate the Purchase and Use Agreement and all obligations thereunder, all as provided therein. One Available Source for making Installment Payments is the County’s operating budget. The County’s ability to raise its operating millage rate in any given year is limited by property tax reform that became effective in 2006. See “PROPERTY ASSESSMENT AND TAXATION – Property Taxation” in APPENDIX A hereto.

General Obligation Debt

The County is authorized pursuant to Article X, Section 14 of the State Constitution to issue, without first obtaining approval by referendum, and have outstanding at any time, general obligation debt in an aggregate principal amount of 8% of the assessed value of all taxable property within the County. Based on the June 30, 2023 assessed value of all taxable property within the County, the County’s present debt limit is \$19,767,420. Upon the issuance of the Series 2024 Bonds, the County will have \$22,227,084 in general obligation bonds outstanding, consisting of the following obligations: (1) the outstanding \$268,000 of the originally issued \$2,450,000 General Obligation Bond, Series 2015 (the “*Series 2015 GO Bond*”); (2) the outstanding \$2,813,952 of the originally issued \$4,500,000 General Obligation Bond, Series 2019A; (3) the outstanding \$665,132 of the originally issued \$3,750,000 General Obligation Bond, Series 2019B; and (4) the outstanding \$18,480,000 of the originally issued

\$23,490,000 General Obligation Bond, Series 2021 (the “*Series 2021 GO Bonds*”). The Series 2015 GO Bond was issued by the County on behalf of the [Laurens County Fire District] and does not count against the debt limit. The Series 2021 GO Bonds were approved by referendum and do not count against the debt limit.

The issuance by the County of general obligation debt to provide funds to pay Installment Payments under the Purchase and Use Agreement will be subject to the discretion of County Council and depend upon, among other things, future credit market conditions, the future credit condition of the County, the future credit market access of the County, and the ability of the County to preserve its capacity to issue general obligation debt that does not require voter approval. The County has represented in the Purchase and Use Agreement that the County intends to maintain its capacity to issue general obligation debt that does not require voter approval, together with other Available Sources, sufficient to make Base Payments when due; provided, however, that the County makes no representation or warranty as to its ability to issue general obligation debt in the future. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS” herein and “CERTAIN FISCAL MATTERS” in APPENDIX A hereto.

Section 4-9-1220 of the South Carolina Code (“*Section 4-9-1220*”), provides that within 60 days after the enactment by the County Council of any ordinance authorizing the issuance of general obligation bonds of the County, a petition signed by the registered voters residing in the County equal in number to at least 15% of the registered voters in the County may be filed with the County Clerk requesting that any such ordinance be repealed. If the County Council fails to repeal the ordinance, the County is required to put the question of the repeal of the ordinance to referendum not less than 30 days nor more than one year from the date the County Council takes its final vote thereon. The County Council may, in its discretion, and if no regular election is to be held within such period, provide for a special election. In the event a petition as described in this paragraph is timely filed, the County Council may repeal the ordinance in question, and proceed to adopt a new, identical ordinance. The new ordinance would itself be subject to Section 4-9-1220.

General Fund Monies

The County, in its discretion, may appropriate funds for Installment Payments from general fund monies. These funds are derived from a variety of sources see “CERTAIN FISCAL MATTERS – County Operating Revenues” in APPENDIX A hereto.

Purchase and Use Agreement

Pursuant to the Purchase and Use Agreement, the County will agree, subject to the discretionary appropriation by County Council of funds for such purpose, to pay Installment Payments to the Issuer, including Base Payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of and interest on the Series 2024 Bonds, as and when the same shall become due and payable. See “FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement” in APPENDIX C hereto.

The financial obligations of the County under the Purchase and Use Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by the County Council to pay the Installment Payments due in each Fiscal Year under the Purchase and Use Agreement. The County’s obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any Fiscal Year in which funds are not appropriated by the County to pay the Installment Payments due in such Fiscal Year. The County has no continuing obligation to appropriate funds to pay Installment Payments due under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty.

Event of Nonappropriation

The County may exercise its option to terminate its obligations under the Purchase and Use Agreement by way of an Event of Nonappropriation; however, pursuant to the Purchase and Use Agreement, the officer of the County charged with the responsibility for formulating budget proposals shall include in the budget proposals for a Fiscal Year for consideration by the County Council sufficient amounts for the County to make the Installment Payments for such Fiscal Year. An “*Event of Nonappropriation*” is defined in the Purchase and Use Agreement as

(i) the failure by the County, for any reason, to specifically budget and appropriate moneys for a Fiscal Year that may be lawfully used to pay amounts due hereunder for such Fiscal Year, or (ii) the provision by a representative of the County of written notice to the Issuer and the Trustee of the County's intention to not appropriate funds that may be lawfully used to pay amounts due under the Purchase and Use Agreement for a Fiscal Year. An Event of Nonappropriation will be deemed to occur on the earlier of the date on which the County gives notice to the Issuer and the Trustee under clause (ii) above or the July 15 following the commencement of a Fiscal Year in which a budget has been adopted which fails to appropriate amounts due under the Purchase and Use Agreement for such Fiscal Year; provided, however, that an Event of Nonappropriation may be waived as provided for in the Trust Agreement. Notwithstanding the foregoing, an Event of Nonappropriation shall be deemed not to have occurred if the County adopts an ordinance prior to June 1 of any Fiscal Year authorizing the issuance of bonds, notes or other obligations for the purpose of paying all Installment Payments due in the succeeding Fiscal Year, notice of which is delivered timely to the Trustee. The Purchase and Use Agreement further provides for a "Waiver Period" commencing on the date an Event of Nonappropriation is deemed to occur and ending and including the date that is the 15th day prior to the first Bond Payment Date occurring in the Fiscal Year in which such Event of Nonappropriation occurs. See "FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement" in APPENDIX C hereto.

If written notice is given by a representative of the County to the Issuer and the Trustee that it will not appropriate funds from any Available Sources in the next succeeding Fiscal Year for payment of Installment Payments or if an Event of Nonappropriation is otherwise deemed to have occurred, the Trustee shall, as soon as practicable, give written notice to the County and the Issuer stating that an Event of Nonappropriation has occurred. Subject to the Events of Default provisions of the Purchase and Use Agreement and the provisions of the following two paragraphs, the Purchase and Use Agreement will be terminated upon the occurrence of an Event of Nonappropriation.

Subject to the Events of Default provisions of the Purchase and Use Agreement and the provisions of the following paragraph, the Trustee shall waive any Event of Nonappropriation if (i) such Event of Nonappropriation is cured by the County before the Waiver Period has expired, or (ii) the Trustee, acting upon the direction of the holders of the majority in aggregate principal amount of the Outstanding Series 2024 Bonds, elects to waive such Event of Nonappropriation for any reason.

Subject to the Events of Default provisions of the Purchase and Use Agreement and notwithstanding the provisions of the preceding paragraph, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (i) of the definition thereof) which is cured by (i) the County specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Installment Payments coming due under the Purchase and Use Agreement for such Fiscal Year that may be lawfully used to make such payment, or (ii) the issuance of bonds, notes or other obligations prior to the expiration of the Waiver Period, and the appropriation of the proceeds thereof, for the purpose of, and providing sufficient funds for, refunding, refinancing and discharging all outstanding Series 2024 Bonds.

If an Event of Nonappropriation occurs and is not waived, the County shall not be deemed to be in default under the Purchase and Use Agreement and shall not be obligated to make payment of any future Installment Payments due under the Purchase and Use Agreement or any other payments provided for therein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation.

The County, in all events, shall cooperate with the Issuer and the Trustee in making the partition required under the Purchase and Use Agreement and shall vacate and deliver the Facilities over to the Trustee no later than 60 days after the partition report becomes final in accordance with the Purchase and Use Agreement.

Conveyance of Property Interest

Under the terms of the Purchase and Use Agreement, upon each payment or prepayment of Base Payments, an undivided interest in the Facilities, equal to that percentage of the "Purchase Price" (defined to mean the sum of all Base Payments, which equals the total principal and interest payable on the Series 2024 Bonds) represented by such payment or prepayment, will transfer from the Issuer to the County. Under the terms of the Purchase and Use Agreement, payment by the County of Base Payments also entitles the County to the use and occupancy of all of the 2024 Real Property and the Facilities during the applicable Fiscal Year in which such Base Payments are made.

The Purchase and Use Agreement provides that upon its termination, either by reason of Event of Default (as defined herein) or Event of Nonappropriation, at the written direction of the Trustee (with the prior written consent of the Bond Insurer), the Facilities will be partitioned between the Issuer and the County based upon their respective percentages of undivided interests in the Facilities. The date upon which the Trustee gives the aforementioned written direction shall be the “*Partition Date*.” The value assigned to particular components of the Facilities in any partition will be based on the insured values (at the time of partition) and percentages set forth in the Purchase and Use Agreement, without regard to the cost or market value thereof. The expected insured values of the respective Facilities Components as of the date of this Official Statement are as follows:

<u>Facility</u>	<u>Value</u>
Historic Courthouse Component	
Hillcrest Complex East Component	
Total	

Within a reasonable time after the Partition Date (but in no event longer than 60 days after the Partition Date), the County and the Issuer shall propose a division of Facilities or, in the event the County and the Issuer notify the Trustee and the Bond Insurer (as defined herein) in writing that they are unable to agree on a proposed division or they have not proposed a division of the Facilities within the time period provided by the previous sentence, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall propose a division of the Facilities within a reasonable time after the Partition Date. In all events, Trustee (at the direction of the Bond Insurer) may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee (at the direction of the Bond Insurer) in the division of the Facilities. The Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall endeavor, to the extent practicable, to allocate the Facilities between the County and the Issuer in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the County and the Issuer; and (2) if portions of the Facilities and Facilities Components will be assigned to each of the Issuer and the County, the Trustee (at the direction of the Bond Insurer) and the Partition Consultant, if selected, shall propose such partition as will, in the aggregate, best protect the interests of the Holders; and (3) the deletion, reduction or release (without exchange or substitution) of any Released Property pursuant to the Purchase and Use Agreement or the Base Lease shall be taken into account for purposes of determining the portions of the Facilities to be allocated between the Issuer and the County.

The Purchase and Use Agreement obligates the County to relinquish its right of possession to the components of the Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the Facilities partitioned to the County. See “FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement” in APPENDIX C hereto.

Events of Default

The following constitute “*Events of Default*” under the Purchase and Use Agreement:

- (a) failure by the County to make Base Payments within five days after the same is due (provided, however, that a failure to make payment by reason of an Event of Nonappropriation shall not result in an Event of Default under this provision); or
- (b) failure by the County to timely comply with the provisions of the Purchase and Use Agreement relating to partition and vacating of Facilities at the times required; or
- (c) failure by the County to make any Additional Payments required under the Purchase and Use Agreement or under the provisions of the Base Lease within ten days after the same is due, except by reason of an Event of Nonappropriation; or
- (d) failure by the County to observe and perform any other covenant, condition or agreement on its part to be observed or performed under the Purchase and Use Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Trustee; or

(e) if any of the representations and warranties of the County under the Purchase and Use Agreement shall prove to be false or misleading in any material respect as of the date such representations and warranties were made; or

(f) the failure by the County to promptly stay or lift any execution, garnishment or attachment of such consequence as will, in the reasonable judgment of the Trustee, materially impair its ability to carry out its obligations under the Purchase and Use Agreement (provided that the County shall not be in default so long as it is diligently prosecuting a bona fide appeal from any such execution, garnishment or attachment); or

(g) if the County shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the County or of property of the County, or (ii) admit in writing the inability of the County to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated as bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code.

Notwithstanding the foregoing, if by reason of Force Majeure (as defined in the Purchase and Use Agreement), the County shall be unable in whole or in part to carry out any obligation under the Purchase and Use Agreement, other than the obligations on the part of the County with respect to payment of Installment Payments and insuring of the Facilities, the County shall not be deemed in default during the continuance of such inability. The County agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the County from carrying out its agreement, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County.

Trust Agreement

As security for its obligations under the Series 2024 Bonds, the Issuer will assign to the Trustee, and grant a security interest in, the Trust Estate. See “FORMS OF CERTAIN FINANCING DOCUMENTS – The Trust Agreement” in APPENDIX C hereto.

Under the Base Lease, the Issuer cannot and will not mortgage the 2024 Real Property or the Facilities or grant any lien on or security interest therein to secure the Series 2024 Bonds. In the event the Purchase and Use Agreement is terminated prior to the payment in full of the Series 2024 Bonds, the Series 2024 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing, until the expiration of the Base Lease (September 1, 2059), of the Facilities that remain with the Issuer after the partitioning is accomplished that is described herein under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – The Purchase and Use Agreement.”

Under certain circumstances, the Trust Agreement permits the Issuer, for specified purposes, to issue Additional Bonds, which will be equally and ratably secured on a parity basis with the Series 2024 Bonds under the Trust Agreement. Prior to the delivery of any Additional Bonds, the Trust Agreement requires the delivery to the Trustee of (i) a supplement to the Trust Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) an amendment or supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, making any changes required to make Additional Real Property subject thereto and supplementing Exhibits B and E thereto to provide for the Additional Facilities; (iii) an amendment or supplement to the Base Lease extending the term thereof by at least the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto; and (iv) a Favorable Opinion of Bond Counsel. The issuance of Additional Bonds (other than for refunding purposes) may create dilution of interest in and additional claims against the Trust Estate pledged under the Trust Agreement. For a description of additional requirements for issuing Additional Bonds, see “FORMS OF CERTAIN FINANCING DOCUMENTS – The Trust Agreement” in APPENDIX C hereto.

[Title Insurance and Easements

[NTD – Discuss with Stifel/UW] A title insurance policy that insures the County’s interest in the 2024 Real Property will be issued immediately prior to execution of the Purchase and Use Agreement and the Base Lease Agreement. Such title insurance policy will be issued in a face amount equal to the par amount of the Series 2024 Bonds. Such title policy will be issued contemplating the completion of improvements increasing the present insurable value of the insured premises up to the face amount of the title insurance policy. Pending completion of the improvements to be located upon the 2024 Real Property the policy will only insure the actual value of the property, but increases as each disbursement for improvements is made in good faith and without actual notice of any defects or objections to the status of record title up to the face amount of the policy. A title insurance policy that insures Issuer’s leasehold interest in the 2024 Real Property will be delivered to the Trustee at the time the Series 2024 Bonds are issued. Such title insurance policy will be in an amount equal to the fair market value of the leasehold property interest insured. Generally, a claim against a title insurance policy may only be made in an amount which is the lesser of the actual value of the real property or the amount of the title insurance policy. The County will also provide at closing a certificate to the effect that certain utility easements to which the 2024 Real Property may be subject will not interfere with the use of the property or materially reduce the value thereof.]

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, _____ (the “*Bond Insurer*”) will issue its Municipal Bond Insurance Policy (the “*Policy*”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as APPENDIX F to this Official Statement.

[If County uses bond insurance, add disclosure from Bond Insurer here]

INVESTMENT CONSIDERATIONS

In analyzing the Series 2024 Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully consider the following investment considerations prior to making a decision to purchase the Series 2024 Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Series 2024 Bonds. **Additional investment considerations relating to the purchase of the Series 2024 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.**

Nonappropriation

The debt service on the Series 2024 Bonds will be payable primarily from Base Payments made by the County pursuant to the Purchase and Use Agreement. The obligation of the County to pay Base Payments is limited to funds that are specifically budgeted and appropriated annually for that purpose. Pursuant to the Purchase and Use Agreement, the officer of the County charged with the responsibility for formulating budget proposals shall include in the budget proposals for a Fiscal Year for consideration by the County Council sufficient amounts for the County to make the Base Payments for such Fiscal Year. In its sole discretion, the County may terminate the Purchase and Use Agreement annually without any penalty.

The Costs Advanced and each Base Payment made by the County under the Purchase and Use Agreement (other than amounts constituting proceeds of the Series 2024 Bonds and investment earnings thereon) will cause an undivided interest in the Facilities, equal to that percentage of the total payments (Costs Advanced and debt service (principal and interest) payable on the Series 2024 Bonds) represented by such amounts, to transfer from the Issuer to the County without further action by either party. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS” herein.

Availability of Available Sources

The County’s ability to make Installment Payments will be impacted by its access to Available Sources. The County’s authority to issue general obligation bonds to make Installment Payments is limited by Article X, Section 14 of the State Constitution, which limits the principal amount of general obligation bonds of the County that may be outstanding at any time (unless approved by referendum) to that amount which is equal to eight percent (8%) of the assessed value of all taxable property within the County. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Sources of Installment Payments” and “DEBT STRUCTURE – General Obligation Debt Limit” in APPENDIX A. The County has indicated that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the County does not create a contractual obligation on the County’s part and does not create any obligation for the County to reserve its capacity to issue general obligation bonds. The County has made no representation or warranty as to its ability to issue general obligation debt in the future. The availability and sufficiency of Available Sources should be considered in making an investment decision. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS” herein and APPENDIX A hereto.

Continuing Need for Facilities

As the County makes Installment Payments over the term of the Series 2024 Bonds, it will increase its undivided interest in the Facilities and reduce the Issuer’s undivided interest in the Facilities. As a result, the County’s need for the portion of the Facilities retained by the Issuer will diminish as the Issuer’s undivided interest in the Facilities decreases. Moreover, as Installment Payments of purchase price are made, the County’s proportionate undivided interest in the Facilities will increase at a relatively faster rate than the outstanding principal amount of the Series 2024 Bonds will be reduced. In the later years of the term of the Series 2024 Bonds, the unpaid principal amount of the Series 2024 Bonds might exceed the fair market value of the Issuer’s undivided interest in the Facilities, which may have an impact on the County’s decision to appropriate amounts with which to pay Base Payments.

Security for the Series 2024 Bonds

The Issuer has not mortgaged the 2024 Real Property or the Facilities. If the Purchase and Use Agreement is terminated, the Series 2024 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing, until the expiration of the Base Lease (September 1, 2059) of the portion of the Facilities that remains with the Issuer after the completion of the partitioning described herein under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Purchase and Use Agreement.” The County can make no assurances that any portion of the Facilities can be leased for purposes that will yield revenues sufficient to pay all or any portion of debt service on the Series 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Trust Agreement” herein.

Enforceability of Remedies

The realization of value from the pledge of the Trust Estate under the Trust Agreement upon the occurrence of an Event of Default or Event of Nonappropriation will depend upon the exercise of various remedies specified by the Trust Agreement and the Purchase and Use Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2024 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement or the Purchase and Use Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Purchase and Use Agreement.

The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, reorganization, fraudulent conveyance, or other similar laws affecting the enforcement of creditors’ rights generally.

The undertakings of the County should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. §§ 901, *et seq.*, as amended, and other laws affecting creditors’ rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs the petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors that have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness or alter the payment terms, maturity schedule, and other provisions governing the indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the petitioner before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Climate Change

Planning for climate change in the State and its impact on the County and the Issuer is an unknown challenge. The State’s climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. Such changes may lead to lower supply and higher demand for County services or a reduction in the County’s population. The financial impact of the climate change is not yet known and therefore its future impact on the County and the Issuer cannot be quantified reliably at this time.

Pension

As described in “CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits” in APPENDIX A and in Note 11 to the audited financial statements of the County included as APPENDIX B, eligible employees of the County participate in the SCRS and PORS (as each term is defined in “CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits” in APPENDIX A hereto). As a result of the enactment of Act No. 13 (as defined in “CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits” in APPENDIX A hereto), the County’s required contribution rate will increase with the statutory mandated employer contribution rate increases. Also, the amount of the County’s allocation of the SCRS or PORS liability may increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the County cannot predict with any certainty.

Risk of Loss, Damage or Destruction

The County has covenanted in the Purchase and Use Agreement that it will cause the Facilities to be continuously insured against physical loss or damage. The County and the Issuer have further covenanted that the proceeds of such insurance shall be applied to repair or replace the damaged or destroyed Facilities. There can be no assurance that the proceeds of insurance or other sources of funds available to the County and the Issuer for purposes of replacing, repairing, rebuilding, or restoring all or any portion of the Facilities that may be damaged or destroyed will be sufficient for such replacement, repair, rebuilding, or restoration.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the County. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored therein could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the County, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the commercial operations, which could materially adversely affect the operations of the County. The County utilizes specialized third parties to maintain the servers and software of the County and to maintain the control systems for the County facilities. For a discussion of existing cyber-security practices in the County, see APPENDIX A – “CERTAIN FISCAL MATTERS – Cyber Security”.

Global Health Risk

The County, like many countries, states and local governments across the world, was impacted by COVID-19 as a global health crisis. Future outbreaks, epidemics, contagions, pandemics, or events outside of the County’s control may affect its financial performance.

Other General Factors

The County has been, and may in the future be, affected by other factors which could impact its financial condition and its need for the Facilities. In addition to the factors discussed elsewhere herein, such factors include, among other things:

- Effects of compliance with rapidly changing regulatory and legislative requirements relating to climate, environmental matters, safety and permitting;
- The repeal of certain federal statutes that would have the effect of decreasing federal funding or changing federal tax policy, including the ability to issue tax-exempt obligations;
- Effects of changes in the economy, population, and demand of customers for services delivered by the County; and

- Effects of litigation and other disputes involving the County.

TAX MATTERS

Federal Income Tax Generally

On the date of issuance of the Series 2024 Bonds, Bond Counsel will render an opinion that, under existing law, assuming continuing compliance with certain covenants made by the Issuer to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder (the “Regulations”) and the accuracy of certain representations, interest on the Series 2024 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations under Section 55 of the Code. (In general, an “applicable corporation” is a corporation whose average annual adjusted financial statement income (*i.e.*, adjusted book income) exceeds \$1 billion for the 3-taxable year period ending with the tax year in question.) See “APPENDIX D – Form of Opinion of Bond Counsel” hereto.

The opinion of Bond Counsel is based on current statutes, regulations, judicial decisions, rulings, and other published guidance of the Internal Revenue Service (the “IRS”), covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Series 2024 Bonds for federal income tax purposes. Bond Counsel’s opinion is based upon existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The opinion of Bond Counsel described above is subject to the condition that the Issuer and the County comply with all requirements of the Code and the Regulations, including, without limitation, certain limitations on the use, expenditure, and investment of the gross proceeds of the Series 2024 Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for interest thereon to be, or to continue to be, excluded from gross income for federal income tax purposes. The Issuer and the County have covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the inclusion of interest on the Series 2024 Bonds in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2024 Bonds. The opinion of Bond Counsel delivered on the Delivery Date of the Series 2024 Bonds is conditioned on continuing compliance by the Issuer and the County with such requirements, and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Bonds.

Certain Collateral Federal Tax Considerations

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel expresses no opinion concerning such collateral income tax consequences, and prospective purchasers of Bonds should consult their tax own advisors as to the applicability thereof.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2024 Bonds. Bond Counsel’s engagement with respect to the

Series 2024 Bonds ends with the issuance of the Series 2024 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the holders of the Series 2024 Bonds regarding the tax-exempt status of the Series 2024 Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the Issuer and the County and their appointed counsel, including the holders of the Series 2024 Bonds, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable.

Any action of the IRS, including but not limited to selection of the Series 2024 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2024 Bonds, and may cause the Issuer and the County or the holders of the Series 2024 Bonds to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the Issuer or the County may be obligated to disclose the commencement of an audit under the Disclosure Dissemination Agreement.

Future Changes in Law

From time to time, there are legislative proposals in Congress which, if enacted into law, could eliminate or reduce the exclusion of the interest on the Series 2024 Bonds from gross income for federal income tax purposes or which might otherwise adversely affect the benefit or marketability of the Series 2024 Bonds. No prediction can be made as to whether any such provisions will be enacted as proposed or concerning other future legislation which, if passed, might affect the tax treatment of interest on the Series 2024 Bonds.

Similarly, future clarifications of the Code by the IRS and court proceedings interpreting the Code could likewise affect the treatment of interest on the Series 2024 Bonds, as well as the benefit or marketability of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, court proceedings, and IRS actions, as to all of which Bond Counsel expresses no opinion.

[Original Issue Discount

Certain Series 2024 Bonds have been sold at an initial offering price which is less than the principal amount thereof payable at maturity ("*Discount Bonds*"). The difference between the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) at which a substantial amount of each maturity of Discount Bonds is sold and the principal amount payable at maturity constitutes original issue discount.

In the case of Discount Bonds, Bond Counsel is of the opinion that original issue discount, as it accrues, is excluded from gross income for federal income tax purposes and is subject to the alternative minimum tax to the same extent as is interest on the Series 2024 Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the "constant yield method" described in Regulations interpreting Section 1272 of the Code, with certain adjustments.

The tax basis of Discount Bonds if held by an original purchaser, can be determined by adding to such owner's purchase price of such Discount Bonds the original issue discount that has accrued.

Owners of the Discount Bonds should consult their own tax advisers with respect to all matters relating to such discount.]

[Original Issue Premium

Certain Series 2024 Bonds have been sold at an initial offering price which is greater than the amount payable at maturity ("*Premium Bonds*"). An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes original issue premium.

For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond.

For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of the Premium Bonds should consult their own tax advisers with respect to all matters relating to such bond premium.]

Reporting and Withholding Requirements

Payments of interest on tax-exempt bonds, including the Series 2024 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements.

An owner of a Series 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Series 2024 Bonds if such owner, upon issuance of the Series 2024 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails properly to report interest, dividends, or other "reportable payments" (as defined in the Code), or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

These requirements do not affect the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes.

State Tax Exemption

Bond Counsel is of the opinion that, under existing law, the Series 2024 Bonds and the interest thereon are exempt from all taxation by the State, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest paid on the Series 2024 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the South Carolina Code, which is enforced by the South Carolina Department of Revenue as a franchise tax.

The opinion of Bond Counsel is limited to the laws of the State and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Series 2024 Bonds or the interest thereon under the laws of any other jurisdiction.

LEGAL MATTERS

Approval of Certain Proceedings

Certain legal matters pertaining to the Issuer and its authorization and issuance of the Series 2024 Bonds are subject to the approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2024 Bonds, and a copy of the proposed form of such opinion is attached hereto as APPENDIX D. Pope Flynn, LLC is also acting as Disclosure Counsel to the Issuer and the County in connection with the offer and sale of the Series 2024 Bonds. Certain legal matters will be passed on for the County by Pope Flynn, LLC, Columbia, South Carolina, counsel to the County, and for the Issuer by Smith Robinson Holler DuBose and Morgan, LLC, Camden, South Carolina, counsel to the Issuer.

Litigation

There is no controversy or litigation of any nature now pending against the County or the Issuer or to the knowledge of the officers of the County or the Issuer threatened against them, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds or any proceedings of the County or the Issuer taken with respect to the issuance and sale thereof, the pledge of the Trust Estate under the Trust Agreement or the use of the proceeds of the Series 2024 Bonds.

Other Legal Matters

From time to time, one or both of Pope Flynn, LLC and Burr & Forman LLP have represented the Underwriter or Stifel, Nicolaus & Company, Incorporated, as counsel in financing transactions unrelated to the Series 2024 Bonds. Neither the Issuer, the County, the Underwriter, nor Stifel, Nicolaus & Company, Incorporated, has conditioned the future employment of these firms in connection with any proposed financing issues for the County, the Issuer, the Underwriter, or Stifel, Nicolaus & Company, Incorporated on the successful execution and delivery of the Series 2024 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2024 Bonds upon an event of default under the Trust Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Trust Agreement, and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors enacted before or after such delivery.

CONTINUING DISCLOSURE

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2024 Bonds, and the Issuer will not provide any such information. The County has undertaken all responsibilities for any continuing disclosure to beneficial owners of the Series 2024 Bonds as described below, and the Issuer will have no liability to the beneficial owners of the Series 2024 Bonds or any other person with respect to such disclosures.

Pursuant to the Disclosure Dissemination Agreement, the County will covenant for the benefit of the "Holders" (as defined in the Disclosure Dissemination Agreement) of the Series 2024 Bonds, to provide certain financial information and operating data relating to the County by no later than February 1 following the end of each Fiscal Year of the County, commencing with the report for the Fiscal Year 2024 (the "*Annual Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the Series 2024 Bonds, in accordance with Rule 15c-12(b)(5) under the Securities Exchange Act of 1934, as amended (the "*Rule*"). The Annual Report will be filed on behalf of the County by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system (and with the State Information Depository, if any, established by the State). The notices of such material events will be filed on behalf of the County by DAC with the Municipal Securities Rulemaking Board (and with such State Information Depository, if any). The specific nature of the information to be contained in the Annual Report and the notices of material events is set forth in APPENDIX E. These covenants have been made in order to assist the original purchaser of the Series 2024 Bonds in complying with the Rule.

As provided in the Disclosure Dissemination Agreement, if the County fails to comply with any provision of the Disclosure Dissemination Agreement, any Holder may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the County to comply with its continuing disclosure obligations under the Disclosure Dissemination Agreement. If any person seeks to cause the County to comply with its continuing disclosure obligations under the Disclosure Dissemination Agreement, it is the

responsibility of such person to demonstrate that it is a Holder within the meaning of the Disclosure Dissemination Agreement.

The County previously entered into continuing disclosure undertakings with respect to its \$6,400,000 General Obligation Bonds, Series 2010 (the “*Series 2010 GO Bonds*”) and the Series 2021 GO Bonds. The disclosure undertakings required the County to provide certain information no later than February 1 of each year, including its audited financial statements and information regarding tax collections, assessed values, debt limit, largest tax-payers and the County’s budget (generally, the “*Disclosure Requirements*”).

The Series 2010 GO Bonds were defeased on December 11, 2019. Prior to such defeasance, the County failed to timely comply with the Disclosure Requirements for many years, including, most-recently, 2019. The County engaged DAC as disclosure dissemination agent prior to the issuance of the Series 2021 GO Bonds, and has reengaged DAC as disclosure dissemination agent for the Series 2024 Bonds.

MUNICIPAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, serves as a Municipal Advisor to the County. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

RATINGS

Moody’s Investors Service (“*Moody’s*”) and S&P Global Ratings (“*S&P*”), a business unit of Standard & Poor’s Financial Services LLC, have assigned ratings of “__” and “__”, respectively, to the Series 2024 Bonds with the understanding that upon delivery of the Series 2024 Bonds, the Policy insuring the payment when due of the principal of and interest on the Series 2024 Bonds will be issued by the Bond Insurer. Moody’s and S&P have also assigned underlying ratings of “__” and “__”, respectively, to the Series 2024 Bonds. Such ratings reflect only the view of Moody’s and S&P and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing the same. The Issuer and the County have furnished Moody’s and S&P with certain information and materials respecting the Issuer, the County and the Series 2024 Bonds. There is no assurance that such ratings, when given, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any and all such rating agencies if, in the judgment of any and all, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024 Bonds.

UNDERWRITING

The Series 2024 Bonds will be purchased for re-offering at negotiated sale by Wells Fargo Bank, National Association (the “*Underwriter*” or “*WFBNA*”) from the Issuer at an aggregate purchase price of \$_____, representing the principal amount of the Series 2024 Bonds, plus original issue premium of \$_____ and less an Underwriter’s discount of \$_____. The Underwriter and the Issuer have entered into a bond purchase agreement, which provides that the Underwriter will purchase all of the Series 2024 Bonds, if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2024 Bonds will be subject to various conditions contained in the bond purchase agreement.

The Underwriter intend to offer the Series 2024 Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which offering prices may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter has reserved the right to permit other securities dealers who are members of the Financial Industry Regulatory Authority (“*FINRA*”) to assist in selling the Series 2024 Bonds. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing Series 2024 Bonds into investment trusts) at prices lower than the public offering prices set forth on the inside cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2024 Bonds will be deducted from the Underwriter’s underwriting profits.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, the underwriter of the Series 2024 Bonds, has entered into an agreement (the “*WFA Distribution Agreement*”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “*Wells Fargo Advisors*”) (“*WFA*”), for the distribution of certain municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting compensation, as applicable, with respect to the Series 2024 Bonds with WFA. WFBNA has also entered into an agreement (the “*WFSLLC Distribution Agreement*”) with its affiliate Wells Fargo Securities, LLC (“*WFSLLC*”), for the distribution of municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

FINANCIAL STATEMENTS

The audited financial statements of the County for the Fiscal Year 2023, included herein as part of APPENDIX B, have been audited by Love Bailey & Associated, LLC, Laurens, South Carolina, independent certified public accountants, whose independent auditor’s report dated February 7, 2024 appears in APPENDIX B.

CONCLUDING STATEMENT

The execution and delivery of this Official Statement have been duly authorized by the Issuer and the County. Concurrently with the delivery of the Series 2024 Bonds, the undersigned will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Series 2024 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Issuer’s certificate will only cover the headings of this Official Statement entitled “THE ISSUER” and “LEGAL MATTERS – Litigation” relating to the Issuer only.

All the summaries of the provisions of the Series 2024 Bonds, the Trust Agreement, the Purchase and Use Agreement, the Base Lease, and all summaries and references to other documents, instruments and materials not purported to be quoted in full are only brief outlines of certain provisions thereof and are not intended to be and do not constitute complete statements of the Act or such documents or provisions. Reference is made hereby to the complete documents relating to such matters for the complete terms and provisions thereof, or for the information contained therein. The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all foregoing statements.

Certain of the information set forth in this Official Statement and in the appendices hereto has been obtained from sources other than the Issuer or the County that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter, the Issuer, or the County.

The execution and delivery of this Official Statement have been duly authorized by the County and the Issuer.

LAURENS COUNTY, SOUTH CAROLINA

By: _____
W. Brown Patterson, Chairman of County Council

LAURENS COUNTY PUBLIC FACILITIES
CORPORATION

By: _____
Barton Holmes, President

DESCRIPTION OF LAURENS COUNTY

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF LAURENS COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Certain supplemental information not necessary for a fair presentation of the financial condition of the County has not been included.

FORMS OF CERTAIN FINANCING DOCUMENTS

FORM OF OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Laurens County Public Facilities Corporation
Laurens, South Carolina

Laurens County
Laurens, South Carolina

Wells Fargo Bank, National Association
Charlotte, North Carolina

Re: \$[PAR] Laurens County Public Facilities Corporation Installment Purchase Revenue Bonds
 (Laurens County Public Facilities Project), Series 2024

Ladies and Gentlemen:

We have acted at the request of Laurens County, South Carolina (the “*County*”) and Laurens County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the “*Corporation*”), as bond counsel in connection with the issuance and delivery by the Corporation of its \$[PAR] Installment Purchase Revenue Bonds (Laurens County Public Facilities Project), Series 2024 (the “*Series 2024 Bonds*”). The Series 2024 Bonds are being issued by the Corporation in accordance with the constitution and laws of the State of South Carolina, and pursuant to a Trust Agreement dated as of [May 1, 2024] (the “*Trust Agreement*”), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”). All capitalized terms used and not defined herein have the meanings provided for such terms in the Trust Agreement or in the Installment Purchase and Use Agreement dated as of [Closing Date] (the “*Purchase and Use Agreement*”) between the Corporation and the County.

Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, all right, title and interest of the Corporation (with certain exceptions) in and to the Revenues including, without limitation, the Installment Payments and other amounts receivable by or on behalf of the Corporation thereunder, all of the Corporation’s right, title and interest in and to the Facilities and other rights of the Corporation in connection with its ownership of the Facilities, the Purchase and Use Agreement (except certain reserved rights), the Base Lease, any insurance and condemnation proceeds with respect to the Facilities, and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement.

The Series 2024 Bonds are being issued as fully registered certificates in book-entry only form, numbered from R-1 upwards in such fashion as to maintain a proper record thereof, will bear interest payable at the rates and at the times, and will be subject to redemption prior to maturity, all as provided in the Trust Agreement.

The Series 2024 Bonds are being issued by the Corporation for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2024 Project, (ii) to pay a portion of the interest coming due on the Series 2024 Bonds through September 1, 2024, and (iii) to pay costs related to the issuance of the Series 2024 Bonds including any premium due on any municipal bond insurance policy.

The obligations of the County under the Purchase and Use Agreement shall not constitute a pledge of the full faith, credit or taxing power of the County within the meaning of any constitutional or statutory limitation. The County is not a party to the Trust Agreement or the Series 2024 Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the County and the Corporation contained in the Base Lease Agreement dated as of [Closing Date] (the “*Base Lease*”), by and

between the County and the Corporation, the Purchase and Use Agreement, the Trust Agreement and the Tax Certificate, relating to the Series 2024 Bonds and in the certified proceedings and other certifications of officials of the County and the Corporation furnished to us, without undertaking to verify the same by independent investigation. In our capacity as Bond Counsel, we have examined: (1) the constitution and the laws of the State of South Carolina; (2) executed counterparts of the Base Lease, the Purchase and Use Agreement, the Trust Agreement and the Tax Certificate; (3) the form of the Series 2024 Bonds to be executed and authenticated; (4) certain other proofs submitted to us by the County, the Corporation and the Trustee; and (5) such other documents as we have deemed necessary in order to deliver this opinion.

Based on such examination, and subject to the considerations set forth herein and upon such reliance, we are of the opinion as of the date hereof, as follows:

1. The Series 2024 Bonds have been duly authorized, executed and delivered and constitute valid obligations of the Corporation payable solely from, and secured equally and ratably by a pledge of, the Trust Estate and sources described in the Trust Agreement. The Series 2024 Bonds are entitled to the benefits and security of the Trust Agreement for the payment thereof in accordance with the terms of the Trust Agreement.

2. The Base Lease has been duly authorized, executed and delivered and constitutes a valid and binding obligation of, the County and the Corporation enforceable in accordance with its terms.

3. The Purchase and Use Agreement has been duly authorized, executed, and delivered by, and constitutes a valid and binding obligation of, the County and the Corporation enforceable in accordance with its terms; provided, however, that the payment obligations of the County for Installment Payments under the Purchase and Use Agreement is limited to annually appropriated funds of the County. The continuation of the Purchase and Use Agreement beyond each fiscal year of the County and the County's obligation to pay Installment Payments in each fiscal year are subject to and dependent upon annual appropriations of sufficient funds therefor by the County Council of Laurens County, the governing body of the County.

4. The Trust Agreement has been duly authorized, executed and delivered by the Corporation and assuming due authorization, execution and delivery by the Trustee, constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

5. The County has approved both the Corporation and the issuance of the Series 2024 Bonds by the Corporation.

6. Under existing law, assuming continuing compliance with certain covenants made by the Corporation to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "*Code*") and the applicable regulations promulgated thereunder, and the accuracy of certain representations of the Corporation, interest on the Series 2024 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations.

Our opinion as to the exclusion of interest on the Series 2024 Bonds from gross income is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for that interest to be, and continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2024 Bonds.

7. Under existing law, both the Series 2024 Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the Series 2024 Bonds is currently subject to the tax imposed on banks by

Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

No opinion is expressed regarding tax consequences arising with respect to the Series 2024 Bonds other than as expressly set forth herein.

The rights of the owners of the Series 2024 Bonds and the enforceability of the Series 2024 Bonds, the Base Lease, the Purchase and Use Agreement and the Trust Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and may be limited by equitable principles, whether considered at law or in equity.

In our capacity as Bond Counsel, we express no opinion herein as to the accuracy, adequacy or completeness of the Preliminary Official Statement or the Official Statement relating to the Series 2024 Bonds, or regarding matters of title or the perfection or priority of the lien on the Trust Estate, Revenues, or other funds created by the Trust Agreement. With respect to matters of title, reference is made to the title insurance policy of _____ delivered in connection with the issuance of the Series 2024 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

FORM OF MUNICIPAL BOND INSURANCE POLICY

DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM

DTC will act as depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings, a division of S&P Global Inc. ("S&P"), rating of AA+. The DTC Rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (which is not intended to be an active hyperlink).

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices

to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2024 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE TRUSTEE IS RESPONSIBLE OR LIABLE FOR THE FAILURE OF ANY DIRECT PARTICIPANTS OR ANY INDIRECT PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE SERIES 2024 BONDS OR ANY ERROR OR DELAY RELATING THERETO.

NONE OF THE COUNTY, THE ISSUER, THE UNDERWRITER, OR THE TRUSTEE CAN OR WILL GIVE ANY ASSURANCES THAT DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR OTHER NOMINEES OF THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS WILL GIVE NOTICES RECEIVED BY THEM, OR HAVING RECEIVED PAYMENTS, WILL MAKE PRINCIPAL AND INTEREST PAYMENTS ON THE SERIES 2024 BONDS TO THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS, THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

**LAURENS COUNTY PUBLIC FACILITIES CORPORATION
REGULAR MEETING**

APPENDIX A

THE COUNTY

General Description

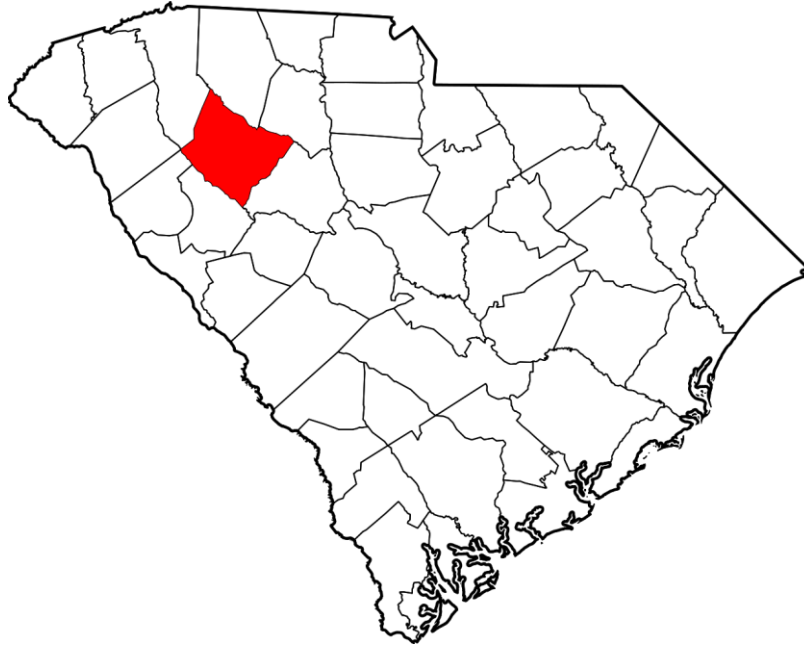
The County is located in the northwestern region of the State, comprises approximately 724 total square miles, and is bordered on the north by Greenville, Spartanburg, and Union Counties, the east by Newberry County, and Greenwood and Abbeville Counties to the southwest. The County had an estimated 2022 population of 67,965. Of the 46 counties in South Carolina (the “*State*”), the County ranks 20th in estimated population and has a population density of 93.8 per square mile. The population at the beginning of each of the preceding three decades and the most recent year available (estimated) is set forth in the following table:

<u>Year</u>	<u>Population</u>
2000	69,567
2010	66,537
2020	67,539
2022	67,965

Source: U.S. Census Bureau; U.S. Bureau of Economic Analysis.

The County was created by the division of the old Ninety Six District in 1785. Seven municipalities are located in the County—Clinton, Cross Hill, Fountain Inn, Gray Court, Laurens, Ware Shoals, and Waterloo. The City of Laurens is the county seat of the County. The City of Laurens is approximately 32 miles from Greenville, South Carolina, 81 miles from Asheville, North Carolina, and 145 miles from Atlanta, Georgia.

A map showing the location of the County within the State is shown below:



Form of Government

The County operates under the Council form of government in accordance with Title 4, Chapter 9, Articles 1 and 3 of the Code of Laws of South Carolina 1976, as amended (known as the “*Home Rule Act*”). The County is divided into seven single-member districts from which members of County Council are elected to four-year terms. A chairman and vice-chairman are elected from the membership of the County Council and serve for two-year terms. The County Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the County Administrator, the County Attorney, and Clerk to County Council. The County Administrator is responsible for carrying out the policies and ordinances of the County Council, for overseeing the day-to-day operations of the County, and for appointing all non-elected County department heads. By law, the County Administrator’s powers and duties include, but are not limited to, the following: serving as chief administrative officer of the County; executing the policies and legislative actions of the County Council; directing and coordinating operational agencies and administrative activities of the County; preparing annual operating and capital improvement budgets for the County Council; supervising the expenditure of appropriated funds of the County; preparing reports for the County Council on finances and administrative activities; being responsible for the administration of the County’s personnel policies including salary and classification plans approved by the County Council; and being responsible for the employment and discharge of personnel, subject to the appropriation of funds by County Council.

The present members of the County Council, their respective occupations, years of service and their respective districts, are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Joined County Council</u>	<u>Term Expires</u>	<u>District</u>
W. Brown Patterson, Chairman	Outdoor equipment dealer	09/16/2019	12/31/2026	4
Jeffrey D. Carroll, Vice Chairman	EMS director	01/03/2019	12/31/2026	5
M. Kemp Younts	Rental agent	01/03/2019	12/31/2026	1
Luke Rankin	Banker	01/04/2021	12/31/2024	2
Shirley H. Clark	Educator	09/28/2021	12/31/2024	3
Diane B. Anderson	Retired teacher	10/01/1993	12/31/2024	6
David E. Tribble, Jr.	Insurance sales	01/04/2021	12/31/2024	7

The County Administrator is appointed by the County Council and shall serve at its pleasure. The County Administrator is the administrative head of the County government and is responsible for the administration of all the departments of the County government which the County Council has the authority to control.

The County Council is organized with six standing committees and one committee of the whole. Departments of the County government report to the applicable committee regarding ordinances and funding requirements.

County Administrator. Mr. Thomas R. Higgs, II is County Administrator and has served in this position since August 2021. Mr. Higgs served previously as an interim City Manager and Assistant City Manager for the City of Clinton, South Carolina. Prior to working for the City of Clinton, he served as a City Administrator for Bishopville, South Carolina. Mr. Higgs received a Bachelor of Arts degree in Media Arts from the University of South Carolina, and an M.A. in Public Policy from Liberty University.

Finance Director. Mrs. Renee Morrow serves as Finance Director for the County and has served in such capacity since October 2021. Mrs. Morrow holds a Bachelor of Science degree in Financial Management from Clemson University. Prior to her appointment as Finance Director, she worked as Finance Director for the City of Clinton, South Carolina and also worked at the Spartanburg Water System and Spartanburg Sanitary Sewer District. As Finance Director, Mrs. Morrow oversees the functions of finance.

County Treasurer. Ms. Cynthia Burke serves as the County Treasurer. Ms. Burke was elected County Treasurer in 1994 and has served in such capacity for approximately 30 years. Prior to her election, Ms. Burke previously served as Deputy Treasurer and as Delinquent Tax Collector for the County. She earned an Associate’s degree in Science from the University of South Carolina.

County Auditor. Mr. Jim Coleman serves as the County Auditor. Mr. Coleman was first elected County Auditor in 2016 and then subsequently reelected in 2020. Prior to his election, Mr. Coleman served as a member on County Council for 24 years and also served as a Chairman of the Laurens County Development Corporation. He earned a Bachelor of Science degree in Administration Management from Clemson University.

Other Elected Officials. In addition to an elected County Council, Auditor and Treasurer, the Clerk of Court, Coroner, Sheriff, Solicitor and Probate Judge are also elected.

General Fund Services

The County provides various local services which are funded primarily from the receipts of the County’s *ad valorem* tax levy as well as certain fees and user charges. The County provides the following services: culture and recreation; economic development; general government (including judicial and public library); health and welfare; intergovernmental; public safety (EMS, sheriff, and fire); public works; and other miscellaneous services.

In order to provide these services, the County authorized 399 full-time equivalent positions in its 2024 Fiscal Year budget consisting of the following:

<u>Services</u>	<u>Full-Time Equivalent</u>
Culture & Recreation	12
Economic Development	1
General Government	77
Health & Welfare	17
Intergovernmental	6
Public Safety (EMS, Sheriff, Fire)	250
Public Works	<u>36</u>
Total	399

Other Governmental Services Provided in the County

General. The municipalities within the County also provide some of the services listed above and additional services not provided by the County.

Water and Sewer Services. Water and sewer service is provided to unincorporated areas of the County by special purpose districts (see “DEBT STRUCTURE –Special Tax Districts” hereinbelow). Solid waste collection is handled directly by the municipalities and the County.

Fire Service. Fire protection within the County is provided by 14 fire departments, four of which are paid and 10 of which are volunteer. The majority of firefighters in the County are volunteers. The County Council controls County funding to all fire departments within the unincorporated areas of the County and makes decisions on funding based on recommendations from the Fire Coordinators’ Office, which receives funding requests from all fire departments.

Law Enforcement. Law enforcement for the County is maintained by a staff of 152 (15 in administrative positions, 80 employees in operations and support and 57 employees at the County Jail).

Emergency Medical Services. Emergency medical services serve County residents through seven stations and 54 full-time employees.

Public Schools. The County is served by two public school districts—Laurens County School District No. 55 and Laurens County School District No. 56 (the “*School Districts*”). Nearly all of the School Districts are located within the County. As of the 2023-2024 school year, the School Districts operate 16 public schools and had an enrollment of approximately 8,059 students.

CERTAIN FISCAL MATTERS

County Operating Revenues

For Fiscal Year 2023, 59.4% of revenues of the County’s general fund (the “*General Fund*”) came from the taxpayers of the County in the form of property taxes and fee-in-lieu-of-tax (“*FILOT*”) payments; 10.1% came from charges for services; 22.0% came from federal, State and local intergovernmental sources; 2.5% came from fees license and permits; and approximately 6.0% came from various other sources.

Property Taxes. Revenues from *ad valorem* property taxes and FILOT payments are the largest source of County General Fund operating revenues. A discussion of general tax information, tax rates and millage levied upon taxpayers of the County is presented in the section entitled “PROPERTY ASSESSMENT AND TAXATION” herein. FILOT payments are deposited and treated in the same manner as *ad valorem* property tax revenues. During the past five Fiscal Years the County received the following amounts as General Fund revenues from *ad valorem* taxes, FILOT payments and Local Option Sales Taxes (as defined and described in “– *Local Option Sales Tax*” below).

<u>Fiscal Year</u>	<u>Ad Valorem Taxes and FILOT Payments¹</u>
2019	\$16,676,952
2020	16,190,758
2021	18,276,020
2022	19,141,200
2023	21,327,239

¹ Only operating taxes; does not include taxes or fees levied for debt service. See “PROPERTY ASSESSMENT AND TAXATION – Tax Collections” for aggregate tax collections.
Source: County Treasurer and prior year Financial Statements.

The amount of *ad valorem* taxes to be levied in each Fiscal Year is determined through the annual budget process. The applicable millage for purposes of the levy is determined using the assessed value of taxable properties within the County as of the December 31 immediately preceding the beginning of each Fiscal Year (the “*Tax Control Date*”).

Local Option Sales Tax. A one percent sales tax (the “*Local Option Sales Tax*”) was imposed in the County beginning on May 1, 1999. The sales tax is authorized pursuant to State law, Section 4-10-10 *et seq.* of the Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”), and a referendum by which the imposition of the tax in the County was approved. The County is one of 32 counties in the State which now impose the Local Option Sales Tax.

The Local Option Sales Tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the State sales and use tax. The Local Option Sales Tax is imposed to reduce the property tax burden on persons in counties that impose this type of local tax and is collected by the Department of Revenue on behalf of the County. The Local Option Sales Tax may be terminated upon approval thereof by referendum; a referendum may be called upon the filing of a petition signed by at least 15% of the qualified electors of the County.

Revenues collected from the Local Option Sales Tax are, by law, divided into a Property Tax Credit Fund and a County/Municipal Revenue Fund. By law, 71% of all collections are allocated to the Property Tax Credit Fund. The Property Tax Credit Fund is distributed to the County (67%) and all municipalities within the County (33%). The municipalities’ 33% share is allocated based upon the population of each municipality compared to the total municipal population in the County. All amounts allocated from the Property Tax Credit Fund must be applied to a reduction in the County’s *ad valorem* property tax millage; the reduction applicable to a given parcel or item of taxable property is based upon the assessed value of such property compared to the assessed value of all property within the taxing jurisdiction.

Revenues not distributed to the Property Tax Credit Fund are deposited in a County/Municipal Revenue Fund. Fifty percent of such revenue is distributed based upon the location of the sale, and the remaining fifty percent

is distributed based upon population. County/Municipal Revenue Fund monies may be deposited to the General Fund or a municipality in the County, or applied to provided additional millage rollback.

As to those counties in which annual Local Option Sales Tax collections exceed five million dollars or more, the State Treasurer is charged with withholding a portion of such collections, not to exceed five percent, for distribution to other counties which have adopted the Local Option Sales Tax but have not collected at least equal to a defined minimum amount. The annual minimum amount is equal to two million dollars in the first year of collections within a county, and increases annually based upon a statutory formula.

The following table shows the County’s portion of the total Local Option Sales Tax collections for the last five Fiscal Years, and the application thereof. County Council determines whether to apply Local Option Sales Tax proceeds to the General Fund or apply to rollback as part of each annual budget process.

<u>Fiscal Year</u>	<u>Receipts</u>	<u>Applied to Rollback</u>	<u>Applied to General Fund</u>
2019	\$2,656,787	71%*	29%*
2020	2,633,016	71*	29*
2021	4,536,050	100	0
2022	4,688,935	100	0
2023	5,279,381	100	0

* As permitted under Section 4-10-10 *et seq.* of the South Carolina Code.
Source: Office of the County Treasurer.

Charges for Services. The County charges users of certain County services user fees in exchange for the service provided. Presently, the County imposes user fees for the following services: planning and zoning, register of deeds, family court, probate court, sheriff, emergency medical services, solid waste services, storm water management, recreation, animal shelter, and other services.

Intergovernmental. Intergovernmental revenue comprises grants, entitlements, and donations as well as State appropriations from the local government fund and State appropriations.

Fees, Licenses, and Permits. The County generates revenues from a variety of licenses, fees, and building and related permits.

Various Other Revenues. The balance of County revenues takes the form of interest income, fines and forfeitures, and miscellaneous contributions.

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Summary of General Fund Operations

The following table sets forth a summary of the County’s General Fund operations for each of the Fiscal Years shown. This summary has been prepared from the audited financial statements of the County for Fiscal Years 2019 through 2023. The audited financial statements of the County (the “*Financial Statements*”) for Fiscal Year 2023, included as Appendix B to the Official Statement (the “*2023 Financial Statements*”), have been audited by Love Bailey & Associates, LLC, Columbia, South Carolina, as stated in their report included as part of Appendix B.

	Fiscal Years				
	2019	2020	2021	2022	2023
<u>Revenues</u>					
Taxes	\$16,676,952	\$16,190,758	\$18,276,020	\$19,847,360	\$21,327,239
Licenses and Permits	592,463	602,582	518,540	697,458	911,871
Intergovernmental	4,653,444	4,721,392	4,297,664	16,667,827	7,889,060
Charges for Services	2,500,684	2,422,670	2,878,494	3,258,626	3,610,074
Fines and Forfeitures	1,176,433	1,196,619	1,240,976	1,465,041	1,465,199
Interest	301,061	136,607	40,339	34,620	542,677
Other Revenues	<u>44,878</u>	<u>28,874</u>	<u>35,364</u>	<u>30,426</u>	<u>163,365</u>
Total Revenues	\$25,945,915	\$25,299,502	\$27,287,397	\$42,001,358	\$35,909,485
<u>Expenditures</u>					
Current					
General Government	\$ 5,104,008	\$ 4,924,277	\$ 4,649,018	\$16,888,058	\$ 7,205,003
Judicial	1,749,685	1,739,379	1,847,047	1,824,432	2,053,930
Public Safety	11,881,957	12,463,573	12,732,480	13,021,026	14,415,067
Public Works	2,311,098	2,476,557	2,585,576	3,075,630	3,090,538
Health and Welfare	264,085	286,606	291,128	308,918	348,106
Culture and Recreation	996,022	1,090,804	1,061,480	1,200,757	1,903,759
Housing and Development	1,244,743	1,338,061	2,048,072	1,535,396	2,045,630
Capital Outlay	-	-	-	-	366,014
Debt Service					
Principal	88,518	90,704	92,945	152,642	59,076
Interest	<u>9,075</u>	<u>6,889</u>	<u>4,648</u>	<u>5,742</u>	<u>2,390</u>
Total Expenditures	\$23,649,191	\$24,416,850	\$25,312,394	\$38,012,601	\$31,489,513
Excess (deficiency) of revenues over (under) expenditures	\$ 2,296,724	\$ 882,652	\$ 1,975,003	\$ 3,988,757	\$ 4,419,972
Other Financing Sources (Uses):					
Proceeds from sale of assets	\$ 2,150	\$ 2,250	\$ 2,300	\$ 3,000	\$ 34,500
Proceeds from issuance of debt	-	-	-	5,195	-
Transfers In	35,000	35,000	35,000	-	-
Transfers (Out)	<u>(389,941)</u>	<u>(2,676)</u>	<u>(778,691)</u>	<u>(1,805,050)</u>	<u>(1,111,998)</u>
Total Other Financing Sources (Uses)	(352,791)	34,574	(741,391)	(1,796,855)	(1,077,498)
Net Change in Fund Balance	1,943,933	917,226	1,233,612	2,191,902	3,342,474
Fund Balance, Beginning of Year	<u>\$ 7,634,809</u>	<u>\$ 9,578,742</u>	<u>\$10,495,968</u>	<u>\$11,729,580</u>	<u>\$13,921,482</u>
Fund Balance, End of Year	<u>\$ 9,578,742</u>	<u>\$10,495,968</u>	<u>\$11,729,580</u>	<u>\$13,921,482</u>	<u>\$17,263,956</u>

Management's Discussion and Analysis

The County's financial condition has remained strong over the last five years. Overall, fund balance in the County has increased by approximately \$7.6 million or 80% from Fiscal Year 2019 to Fiscal Year 2023.

Revenues. As indicated by the tabular information on the prior page, the total revenues of the County have increased approximately \$9.9 million from Fiscal Year 2019 to Fiscal Year 2023. This is primarily due to the continuous increase in the County's tax base, and increased revenues from charges for services stemming from the County's continued economic and population growth. In Fiscal Year 2022, the County received \$12.025 million of American Rescue Plan Act ("ARPA") funding, which spiked revenue for Fiscal Year 2022. Reassessment was also completed in Fiscal Year 2022, which resulted some increased tax collections, but Fiscal Year 2023 otherwise represented a return to normal growth trends.

Expenditures. Total expenditures have increased from Fiscal Year 2019 to Fiscal Year 2023. This is primarily due to the growth of the County, which increased the services that the County provides. The increased costs include labor, supplies and vehicle-related expenditures. The County continues efforts to improve efficiency and closely monitors expenses.

Fund Balance. Between Fiscal Years 2019 and 2023, the County's fund balance has increased between approximately \$900,000 and \$3.3 million each of the past five Fiscal Years. With positive economic growth, appropriate service fees, conservative budgeting, and strong management, the County has been able to gradually increase its total fund balance and remains in a strong financial position. The County also received payments from the ARPA, which increased the County's cash position.

Fiscal Year 2024. The budget for Fiscal Year 2024 factors in growth that continued during Fiscal Year 2023 in the northern sector of the County, the Lake Greenwood region, as well as other areas around the cities of Gray Court, Laurens, Clinton, and Fountain Inn. Although the growth mentioned in the preceding paragraph may add revenue, County Council and the County administration reviewed staffing needs and equipment requests to service the citizens across all growth sectors. The need for more staff and equipment was a unique challenge for the Fiscal Year 2024 budget.

Capital Improvements. The County continued to enhance its Capital Improvement Plan ("CIP") for Fiscal Year 2024, which identified numerous capital asset needs and required updates. County Council has systematically addressed CIP projects to gradually reduce deferred CIP needs. At the end of Fiscal Year 2023, only a few large CIP projects remain that do not have a financial implementation plan, including new emergency services facilities (Law Enforcement, E911, Fire and EMS) that will be paid with the proceeds of the Series 2024 Bonds. County Council and staff have started proactive discussions concerning available options to fund new construction along with improvements to County facilities. County Council authorized the County Administrator to explore options for the funding of these facilities in the first half of Fiscal Year 2024.

Since the County has maintained a positive fund balance over the past five Fiscal Years, the County plans to continue its conservative financial strategy by ensuring all budgeted items are necessary to the operation of the County. The County is projected to be on the verge of one of the best economic expansions in its recent history. Thousands of new residential units are under construction and many others are approved for implementation. Commercial growth is also projected to follow the forecasted residential development. The County industrial economy remains strong.

The County's investment in its CIP, especially those CIP projects that affect quality of life, are further propelling the County's economic expansion. The County continues to administer the projects included in the voter-approval 1% Capital Project Sales Tax referendum that will provide \$35,000,000 in proceeds to the County spanning a 6-8 year window. These projects are all quality-of-life investments, aimed at increasing interest in making the County home to thousands of new residents, as well as improving the quality of life for existing residents. The capital projects that were included in the approved referendum are currently underway. A few of the projects are complete or near completion. The Evidence Storage Facility for the Laurens County Sheriff's Office is one example of those completed projects. Another example would be the completion of the "Loop Trail", which is part of the Swamp Rabbit Trail System.

The net results of the Fiscal Year 2023 audit show the finances of the County once again moved in a positive direction, thanks to the hard work of the dedicated Laurens County Government employees and elected officials. As in the past budget cycles, the Fiscal Year 2024 budget was prepared with the continuation of the goals set by County Council to produce a plan that provides the best services possible while minimizing financial impact to the taxpayer.

Historical Fund Balance

The County Council strives to maintain an unassigned general fund reserve of at least 20% to be used for cash flow requirements, equipment acquisition and replacement, and to enable the County to meet unexpected expenditure demands or revenue shortfalls. When the unassigned General Fund reserve is projected to decrease below 20% of the general fund budget, the County Administrator would initiate one or any combination of the following measures to ensure that the year-end General Fund balance for the budget year in question does not fall below 20%: generate additional revenue, implement a hiring freeze on non-critical positions, or reduce expenditures through a budget cut.

The unassigned general fund balances at June 30, 2022, and June 30, 2023 were \$12,773,414 and \$16,089,737, respectively, which were 33.6% and 51.1% of general fund expenditures for the Fiscal Years 2022 and 2023. The table below shows historical unassigned general fund balances for the five Fiscal Years shown below:

<u>Fiscal Year</u>	<u>General Fund Balance</u>
2019	\$ 8,923,132
2020	9,795,270
2021	10,824,293
2022	12,773,414
2023	16,089,737

Budget Procedure and Accounting Policies

The Home Rule Act provides that the Fiscal Year for county governments begins on July 1 of each year and ends on June 30 of the following year. The County Council is required to adopt annually, prior to the beginning of each Fiscal Year, operating and capital budgets for the operation of county government. The budgets must identify the sources of anticipated revenue, including taxes necessary to meet the financial requirements of the budgets adopted. If a county’s expenses exceed income in any year, the governing body of the county is required in the following year to levy taxes in an amount which, when added to all other sources of income will be sufficient to pay such deficiency and the estimated expenses for such year.

The County Council’s seven elected members are solely responsible for oversight of the budget. In January of each year, a notice is sent by the County Administrator to each department head of County government to prepare a budget request for the Fiscal Year to begin the next July 1. Those budget requests after preparation by the department heads are forwarded to the County Administrator. All department requests are compiled by the Finance Director and are reviewed by the County Administrator who makes his own recommendation with respect to each department’s budget. The compiled budget requests of the departments together with the recommendations on each by the County Administrator are presented to County Council. The County Council engages in a series of workshops during the spring. Prior to the final reading and enactment of the budget ordinance, the County Council holds a public hearing on the budget. The final budget as finally adopted by County Council is approved prior to June 30 of each year.

The County’s accounting methods and procedures conform to generally accepted accounting principles applicable to governmental entities. The Financial Statements include all funds, account groups, agencies, boards, commissions and authorities of the County.

Pursuant to Section 6-1-320 of the Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”), the County’s annual millage rate for operations may increase only pursuant to significant limitations. See “PROPERTY ASSESSMENT AND TAXATION – Property Taxation – *Operating Millage Limited*” hereinbelow. However, neither Section 6-1-320 nor any other provision of the South Carolina Code, impairs or limits in any way

the legal obligation of the County to annually levy sufficient *ad valorem* taxes to meet its debt service obligations for its outstanding general obligation bonds.

General Fund Budgets

The following is a summary of the General Fund budget of the County as initially adopted by County Council for Fiscal Year 2023 and Fiscal Year 2024, respectively.

	<u>Budget</u> <u>Fiscal Year 2023</u>	<u>Budget</u> <u>Fiscal Year 2024</u>
<u>Revenues</u>		
Property Taxes	\$ 20,556,474	\$ 23,118,255
Local Option Sales Tax	1,300,000	1,300,000
Intergovernmental Revenue	4,123,434	4,433,835
Licenses and Permits	579,900	760,300
Charges for Services	4,464,150	4,670,800
Interest Income	-	25,000
Miscellaneous	<u>20,000</u>	<u>20,000</u>
Total General Fund Revenues	\$ 31,043,958	\$ 34,328,190
<u>Expenditures</u>		
General Government	\$ 6,898,744	\$ 7,416,052
Judicial	2,082,493	2,299,877
Public Safety	14,233,945	16,808,966
Public Works	3,391,391	3,558,100
Health & Welfare	344,771	333,378
Culture and Recreation	1,937,893	2,043,996
Housing and Development	<u>1,712,939</u>	<u>1,943,905</u>
Total Expenditures	\$ 30,602,176	\$ 34,404,274

Permitted Investments

Pursuant to Section 6-5-10 of the South Carolina Code, the County Treasurer invests money subject to its control and jurisdiction in investments specified under said section or the South Carolina Pooled Investment Fund. Section 6-5-10 provides for the following investments: (i) obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States; (ii) obligations issued by certain listed instrumentalities and sponsored enterprises of the United States (including but not limited to the Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Government National Mortgage Association) if at the time of the investment the obligor has long-term, unenhanced, unsecured debt ratings in one of the two top ratings categories; (iii) general obligations of the State or any of its political units, or revenue obligations of the State or any of its political units if, at the time of the investment the obligor has long-term, unenhanced, unsecured debt ratings in one of the two top ratings categories; (iv) savings and loan associations to the extent that the same are insured by an agency of the federal government; (v) certificates of deposit and repurchase agreements which are collaterally secured by securities of the type described in subsections (i), (ii) or (iii) provided above; and (vi) certain no load open-end or closed-end management type investment companies or trusts which are, in essence, an indirect investment in investments of the kind described in (i) and (ii) above or repurchase agreements collateralized by such investments. The South Carolina Pooled Investment Fund is managed by the South Carolina State Treasurer.

Retirement Plans

SCRS and PORS

County employees participate in either the South Carolina Governmental Employees’ Retirement System (“SCRS”) or the South Carolina Police Officer Retirement System (“PORS”), depending on their particular job duties. Both plans are a cost-sharing, multiple employer public employee retirement program administered by the South

Carolina Public Employee Benefit Authority (“PEBA”). Actuarial determinations are made by the administrator for each plan, and State statutes determine the benefits and the level of contributions required by both employees and employers.

Act No. 13 of 2017 was signed by the Governor of the State on April 25, 2017, and was effective July 1, 2017. Except for a tolling period with respect to increases in the employer contributions under Act No. 135 of 2020, the results of Act No. 13 are as follows:

- The County’s, as employer, contribution rate for the SCRS, after years of incremental adjustments, is now set at a capped rate of 18.56% in Fiscal Year 2024 and beyond (but see bullet 4 below).
- The County’s, as employer, contribution for PORS, after years of incremental adjustments, is now set a capped rate of 21.24% for Fiscal Year 2024 and beyond (but see bullet 4 below).
- Increased and capped the employee contribution rate to 9% as of July 1, 2017.
- After June 30, 2027, authorizes the decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of SCRS assets and the actuarial value of SCRS liabilities is equal to or greater than 85%.
- Effective July 1, 2017, lowered the assumed annual rate of return from 7.5% to 7.25% and provided for a reset of the assumed rate of return every four years. The rate was reset to 7.0% in Fiscal Year 2022.
- Reduced the funding period (or amortization period) of unfunded liabilities, beginning in Fiscal Year 2018, from 30 years to 20 years for Fiscal Year 2028 and thereafter.

Presently, SCRS and PORS employee-members are required to contribute 9.00% and 9.75% of their annual covered salaries, respectively, which includes .15% and .20%, respectively, for accidental death and group life insurance.

During the Fiscal Year 2023, the County made 100% of its required SCRS and PORS contributions, which totaled \$1,805,938 and \$1,600,872, respectively.

GASB No. 68

Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 68, the County is required to report a net pension liability for its participation in the SCRS and PORS. The County’s proportionate share of the net pension liabilities is based on a projection of the County’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, PEBA reported the County’s proportionate share of the collective net pension liability to be 0.077585% for SCRS and 0.452987% for PORS and liabilities of \$18,808,259 and \$13,584,986 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively.

Further Information. Any assessment of the County’s retirement plan and post-employment benefits should be made with reference to the more detailed description thereof in the Financial Statements including Note 11 therein for the Fiscal Year 2023, attached to the Official Statement as Appendix B.

Other Post-Employment Benefits

GASB No. 75. GASB Statement No. 75 (“GASB 75”) generally requires that state and local governmental employers account for other post-employment benefits (“OPEB”) on an accrual basis similar to the manner that they currently account for pensions. GASB 75 also requires disclosure of information about the plans in which an employer participates, the funding policy followed and the actuarial valuation process and assumptions. The County implemented GASB 75 in Fiscal Year 2018.

Post-Retirement Health Care. The County sponsors a single-employer, self-funded defined benefit healthcare plan (the “Plan”) that provides medical, prescription drug, and dental insurance benefits for retirees on the same terms as active employees until age 65.

Funding Status. The County’s contributions are financed on a pay-as-you-go basis and approved as part of the annual budget and therefore no trust fund has been established which would maintain plan assets.

	<u>Fiscal Year 2023</u>
Service cost	\$ 650,377
Interest on OPEB liability	338,202
Difference between expected and actual experience of the total OPEB liability	(2,690,111)
Changes of assumptions	(3,771,968)
Benefit payments	<u>(453,177)</u>
Increase in net OPEB liability	(5,926,677)
Net OPEB liability as of beginning of Fiscal Year	<u>\$ 17,516,068</u>
Net OPEB liability as of end of Fiscal Year	<u>\$ 11,589,391</u>

Further Information. An assessment of the County’s OPEB and other post-retirement benefits, should be made with reference to the more detailed description thereof in the County’s Fiscal Year 2023 Financial Statements, attached hereto as Appendix A, and Note 12 therein.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act (the “*Tort Claims Act*”), local governments including the County are liable for damages not to exceed \$300,000 per person and \$600,000 per occurrence. No punitive or exemplary damages are permitted under the Tort Claims Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Fiscal Accountability Authority, private carriers, self-insurance or pooled self-insurance funds. The stop-loss provision for worker’s compensation is \$300,000, and excess insurance is obtained through the South Carolina Counties Workers Compensation Trust. The County self-insures its general and auto liability. The County continues to carry commercial insurance for all other risks of loss. The County has had no significant reductions in insurance coverage during the year ended June 30, 2023, and settlements have not exceeded insurance coverage in the past five Fiscal Years.

Cyber Security

The County’s information technology department utilizes a number of approaches to secure data and systems from cyber-attacks. These include staff education and training to prevent breaches and reduce the number of computer viruses, and deployment of software and hardware to detect and eliminate virus and malware while allowing and monitoring authorized access. Also see “INVESTMENT CONSIDERATIONS–Cyber-Events” herein. Additionally, the County currently maintains an insurance policy for loss stemming from cyber security related claims.

Anticipated Capital Needs

The Series 2024 Bonds are anticipated to fund the County’s most immediate capital improvement needs. In addition to updating its Long Range Strategic Capital Plan (presently underway), the County anticipates developing a capital improvement plan (“*CIP*”) as it considers whether to pursue a voter referendum to renew its existing Capital Project Sales Tax (“*CPST*”), which expires April 30, 2029. With the exception of the Series 2024 Bonds and any voter-approved general obligation bonds that may be pursued contemporaneously with the CPST renewal, which would not count against the County’s Constitutional Debt Limit (as defined herein), the County has no current plans for additional borrowing and no additional material capital improvement needs that cannot be funded on a pay-as-you-go basis.

PROPERTY ASSESSMENT AND TAXATION

Property Assessment

Constitutional Assessment Ratios. Article X, Section 1 of the Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business: 10.5% of fair market value.
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business: 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres: 4.0% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations: 4.0% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders: 6.0% of use value (if property owner makes proper application and qualifies);
- (6) All other real property: 6.0% of fair market value;
- (7) Business inventories: locked-in at 1987 assessed value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit);
- (8) Motor vehicles: 6.0%; and
- (9) All other personal property: 10.5% of fair market value.

The application of the above ratios to the appraised value results in an assessed value to which the tax rate, expressed in mills, is applied. Recent legislative enactments reduce the effective assessment ratio for certain manufacturing property. See “– Act No. 228” herein.

Property Appraisal and Reassessment. The South Carolina Department of Revenue (“DOR”) has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State and may require reassessment of any part or all of the property within the County. Under law enacted by the South Carolina General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. Under present law, reassessment within a county may be delayed upon action of the governing body of such county for one year and may be further delayed by legislative enactment at the state level. The County delayed the reassessment of property by enacting an ordinance on September 22, 2020. The County’s next mandated reassessment is scheduled for tax year 2026.

Reassessment Valuations Limited. The growth in valuation of a parcel of real property attributable to reassessment may not exceed 15% for each reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, upon the sale of any parcel of real property or other “assessable transfer of interest,” including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value, subject to the exception

described below. The foregoing limitation on increases in assessed value may materially affect the growth in the County’s assessed value, and, thus, debt limit, over time. Act No. 57 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 2011 (“*Act No. 57*”) affects the treatment of “assessable transfers of interest” regarding properties assessed at 6% of market value, which classification generally includes second homes and commercial property. Act No. 57 provides that second homes and commercial properties are given a 25% exemption at the point of sale, limited by the property’s value as determined by the most recent reassessment. Owner-occupied homes will continue to be reassessed to then-current market value at the time of sale or other assessable transfer of interest.

Responsibility for Assessment. The County Assessor appraises and assesses all the real property and mobile homes located within each county and certifies the results to the County Auditor (with the exception of manufacturer’s real property which is certified by the DOR). The County Auditor appraises and assesses all motor vehicles (except for large trucks, which are appraised and assessed by the DOR), marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment. Each year, upon completion of its work, the DOR certifies its assessments to the County Auditor who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection of taxes. With the exception of motor vehicles, the State tax control date is December 31st for the ensuing tax year. The State has no statewide property tax.

Act No. 228. In 2022, the State’s General Assembly enacted Act No. 228 of 2022, known as the “Comprehensive Tax Cut Act of 2022” (“*Act No. 228*”), the provisions of which reduced the effective assessment ratio for manufacturers to 6% (exempting 42.8571% of property taxes) effective for the 2022 tax year with no phase-in period. Act No. 228 is intended to benefit small manufacturers or older manufacturers that have not or cannot enjoy the benefits of payments in lieu of taxes (see “– Payments in Lieu of Taxes” below). Act No. 228 requires political subdivisions and school districts to be fully reimbursed by the State for the new exemption in the same manner as from the Trust Fund for Tax Relief. Under Act No. 228, to the extent that the aggregate value of the exemption State-wide exceeds \$170 million in any year, the amount of the exemption is required to be decreased so that the total value of the exemption for the year is reduced to \$170 million. As a result, if the value of the exemption exceeds \$170 million, the effective assessment ratio for affected manufacturers could be higher than 6%.

Property Taxation

Generally. Property taxes are set to help raise sufficient revenue to support a budget duly adopted by the governing body of a political subdivision, considering all available revenue sources, and to pay debt service on general obligation bonds. Pursuant to tax reform enacted by the South Carolina General Assembly in 2006, and now codified at Section 6-1-320 of the South Carolina Code (“*Act No. 388*”), the tax rate for operational millage levied as part of the budgeting process is limited as described below under “– *Operating Millage Limited.*” There is no limitation on the tax rate that may be imposed to provide for debt service payments for lawfully issued general obligation bonds. See “–*Unlimited Debt Service Millage*” below.

Operating Millage Limited. Pursuant to State law, the tax rate for the operating budget, expressed in mills, cannot be raised over a prior year’s rate by a percentage that exceeds the sum of (a) the increase in the Consumer Price Index (“*CPI*”) as published by the United States Department of Labor, Bureau of Statistics, plus (b) the rate of population growth of the political subdivision or school district, as determined by the Office of Research and Statistics of the South Carolina Revenue and Fiscal Affairs Office. However, a 2011 legislative enactment allows for increases in operating millage to the extent allowed but not previously imposed for the three property tax years preceding the year to which the current limit applies. The operational millage limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision in response to the following:

- (1) a deficiency for the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war or riot;

- (3) compliance with a court order or decrees;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent (10%) or more the amount of revenue payable to the taxing jurisdiction in the preceding year;
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government;
- (6) the purchase of certain property or development rights near military bases as detailed at Section 6-1-320(B)(6); or
- (7) the purchase of capital equipment and related expenditures concerning the installation, operation and purchase thereof, but only in a county having a population of less than 100,000 and having at least 40,000 acres of state or national forest land.

For items (1) through (5) above, the amount of the tax imposed for that purpose must be listed on the tax bill as a separate surcharge with the purpose identified. The restriction on operating millage is not applicable to millage that is levied to maintain a reserve account.

Millage in Years of Reassessment. In the year reassessment is implemented, political subdivisions of the State are limited in the level of millage they may impose. This limited millage levy is referred to as the “rollback” millage. The intended effect of rollback millage is to limit the millage rate to that millage rate which, following a reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of reassessment. The rollback millage limitation is inapplicable to millage necessary to pay general obligation debt. Act No. 388 prohibits political subdivisions from overriding the rollback millage limitation except to meet certain specified conditions. Political subdivisions are also limited to the amount by which millage may be increased in a year in which reassessment is not being imposed.

Unlimited Debt Service Millage. General obligation bonds issued by political subdivisions are secured by the full faith, credit, and taxing power of the political subdivision and such debt service millage is not subject to millage rate limitations. Similarly, there is no limit on the amount of millage that may be imposed to make payments for real property purchased using a lease-purchase agreement.

Tax Exemptions

Homestead Exemptions. The State provides, among other exemptions, two exemptions for homesteads. The first is a general exemption from all *ad valorem* property taxes and applies to the first \$50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled, or legally blind (the “*Homestead Exemption*”). The following table shows amounts received by way of reimbursing appropriations from the State for Homestead Exemption to the County general fund:

<u>Fiscal Year</u>	<u>Homestead Exemption</u>
2019	\$1,067,886
2020	1,132,518
2021	1,048,015
2022	1,146,633
2023	1,371,784

Source: Office of the County Treasurer.

The second exemption exempts all owner-occupied real property in the State from *ad valorem* property taxes levied for school district operations (the “*New Homestead Exemption*”). This exemption and associated sales tax are described in more detail in the section entitled “– Sales Tax Mechanisms to Defray Property Taxes – *State-Wide Sales Tax Imposition and Associated Exemption of Owner-Occupied Property from School Operating Taxes*” below.

As a result of the Homestead Exemption and New Homestead Exemption, the revenues that would have been received by the various taxing entities from the taxpayers of the County are now replaced by funds from the State. For both the Homestead Exemption and the New Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by April 15 of each year from the State’s general fund.

Manufacturing Property Exemption. Article X, Section 3 of the Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of \$50,000) to existing manufacturing establishments are exempt from *ad valorem* taxation for five years for county taxes only. No exemption is granted from school or municipal taxes, although municipal governing bodies may grant a similar exemption to manufacturing establishments. The table below shows the level of tax-exempt manufacturing property located within the County for the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value of Industrial Abatement Property</u>
2019	2018	\$3,253,700
2020	2019	2,546,230
2021	2020	4,451,450
2022	2021	4,273,230
2023	2022	3,330,170

Source: Office of the County Auditor.

Sales Tax Mechanisms to Defray Property Taxes

State-Wide Sales Tax Imposition and Associated Exemption of Owner-Occupied Property from School Operating Taxes. Pursuant to property tax reform enacted by the South Carolina Generally Assembly and a State-wide referendum, a one percent sales tax was imposed State-wide beginning on July 1, 2007. The additional tax does not apply to certain items, including certain accommodations (e.g. hotels, motels, campgrounds and the like), items taxed at a defined maximum amount (e.g., automobiles, taxed at a maximum of \$500, regardless of sales price), and unprepared food. Receipts from the new one percent sales tax must be credited to the “Homestead Exemption Fund” created pursuant to Act No. 388.

In connection with the State-wide one-percent sales tax referenced above, effective beginning with Fiscal Year 2008, all owner-occupied real property in the State became exempt from *ad valorem* property taxes levied for school district operations. Proceeds of the sales tax deposited in the Homestead Exemption Fund are distributed to the school districts of the State in substitution for the *ad valorem* taxes not collected as a consequence of the New Homestead Exemption. The aggregate amount of sales taxes distributed to the school district or districts on a per county basis shall not be less than \$2,500,000. The aggregate reimbursement to the school districts of the State increase by an amount equal to the percentage increase in the previous year of CPI, plus the percentage increase in the previous year in the population of the State.

Any amounts remaining in the Homestead Exemption Fund after the distribution of moneys as described in the preceding paragraph must be distributed to the 46 counties of the State, proportionately based upon population, and applied as a credit against *ad valorem* property taxes levied against, first, owner-occupied real property, and, thereafter, to all other classes of taxable property, for county operating purposes. To the extent revenues in Homestead Exemption Fund are insufficient to pay all reimbursements to the school districts, Act No. 388 provides that the shortfall shall be paid from the State’s general fund.

Local Option Sales Tax for Additional Property Tax Relief. Act No. 388 further authorizes the imposition within a county, subject to approval by referendum, of a local sales tax to provide additional property tax relief. An additional local sales tax authorized by Act No. 388 may only be imposed to the extent necessary to provide a 100% credit to all classes of taxable property against (a) county operating taxes, (b) school operating taxes or (c) both, as set forth on the referendum ballot. In no event, however, may the rate of such local sales tax exceed one percent. Act No. 388 also provides a procedure for rescinding this local sales tax, as well as any other local sales taxes in force as of

June 1, 2006. The County has maintained its existing Local Option Sales Tax as described in “CERTAIN FISCAL MATTERS – County Operating Revenues – *Local Option Sales Tax*” above.

Payments in Lieu of Taxes

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain “brownfield” sites) or more may be negotiated for payments in lieu of taxes for a period of up to 30 years (with the possibility of an additional ten-year extension at the option of a county) based on assessment ratios of as little as 6% and using millage rates that are either fixed for the term of negotiated payments in lieu of taxes or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for (i) projects (A) creating at least 125 new jobs and (B) providing new invested capital of not less than \$150 million; or (ii) projects providing new invested capital of not less than \$400 million. For these projects payments may be negotiated based on assessment ratios of as low as 4% and for a term of 40 years (with the possibility of an additional ten-year extension at the option of a county).

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park (the “MCIP”) are allocated in proportion to the amounts that would have been received by the taxing entities if the payments were taxes; (ii) revenues received from property that is in a MCIP, however, is distributed in accordance with the agreement creating the park; and (iii) the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in a MCIP under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be diverted from taxing entities in the sole discretion of the County to fund projects that support economic development activities, including projects that are used solely by a single enterprise, and such other uses as directed by the County.

Several of the largest taxpayers in the County pay a “fee-in-lieu” of taxes with respect to new manufacturing projects. Each year new fee-in-lieu arrangements are made with other new manufacturing investments.

The effect is that, notwithstanding the fixed payments by the industry, the County’s share of these payments will vary in each year in accordance with the ratio its millage rates for that year bear to the total millage that would otherwise apply to the property. Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits, and for purposes of computing the index of taxpaying ability. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

From the date of execution of the agreement, the industry has not more than five years in which to meet the minimum investment level requirement. If this requirement is not timely met, all property financed reverts retroactively to the tax treatment otherwise applicable to such property.

Assessed Value

The assessed value of all taxable real and personal property located in the County for each of the following years is set forth in the following table:

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Assessed Value of Real Property</u>	<u>Assessed Value of Personal Property</u>	<u>Total Assessed Value</u>
2019	2018	\$ 107,480,530	\$ 90,840,940	\$ 198,321,470
2020	2019	111,224,610	99,698,506	210,923,116
2021	2020	116,827,230	102,331,800	219,159,030
2022	2021	128,030,920	105,957,000	233,987,920
2023	2022	137,129,650	109,963,094	247,092,744

Source: Fiscal Year 2023 Financial Statements.

Market Value and Assessment Summary

The table below shows the various classes of property comprising the tax base of the County, by classification and assessment ratio. The figures used are for tax year 2022 and Fiscal Year 2023.

<u>Class of Property</u>	<u>Assessed Value</u>	<u>Market Value</u>
Real Property (Non-manufacturing) and Mobile Homes	\$ 137,129,650	\$ 4,265,455,206
Motor Vehicles	31,210,100	520,168,333
Aircraft and Other	7,570	189,250
Public Utilities and Railroads	23,267,978	221,599,790
Manufacturing Property (Real and Personal)	15,151,429	144,299,324
Marine Equipment/Boats	2,478,573	41,309,550
Business Personal Property	7,769,670	73,997,371
FILOT Property	27,722,724	264,025,943
Other	<u>2,355,050</u>	<u>2,219,524</u>
Totals	\$ 247,092,744	\$ 5,533,264,291

Note. Some variance may result from daily fluctuation in various categories including Motor Vehicles. Includes Merchant's Inventory reimbursement which is fixed by statute at \$123,940.

Source: County Auditor.

Millage History

The millage assessed by the County for various purposes for the Fiscal Years 2020 through 2024 is set forth below:

<u>County-Wide Tax Rates</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operations	65.13	65.13	65.13	64.13	64.13
Debt Service	<u>7.00</u>	<u>7.00</u>	<u>9.00</u>	<u>9.00</u>	<u>8.00</u>
Total Direct Rate	72.13	72.13	74.13	73.13	72.13

Source: County Auditor.

Tax Collection Procedure

Real and personal taxes in the County are due on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for each such motor vehicle expires. If property taxes, other than taxes on motor vehicles, are not paid before January 16, a penalty of 3% is added; if not paid before February 2, an additional penalty of 7% is added; if not paid before March 17, an additional penalty of 5% is added and taxes go into execution. Taxes on motor vehicles are subject to similar penalties measured from due date thereof. Unpaid taxes, both real and personal, constitute a first lien against the property. The County tax collector is responsible for the collection of delinquent taxes and is empowered to seize and sell so much of the defaulting taxpayer’s estate—real and personal or both—as may be sufficient to satisfy the taxes. Act No. 388 allows taxpayers to pay property taxes in periodic installments, with the last installment due as of January 15 of each year.

Tax Collections

The following table shows the amount of property taxes levied in the County, and current taxes collected in the Fiscal Year in which the levy was made, for the last five Fiscal Years for which information is available. Delinquent taxes include taxes levied in prior years but collected in the year shown.

Fiscal Year	<u>Collected Within the Fiscal Year of the Levy</u>			<u>Actual Tax Collections to Date</u>		Percentage of Total Levy Collected
	<u>Total Levy</u>	<u>Taxes Collected</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Collections</u>	<u>Total Taxes Collected</u>	
2019	\$18,571,869	\$18,037,032	97%	\$699,070	\$18,736,102	101%
2020	19,731,857	19,308,439	98	751,355	20,059,794	102
2021	20,502,332	18,526,246	90	1,371,275	19,897,521	97
2022	21,784,246	21,598,614	99	321,275	21,919,889	101
2023	24,056,950	22,678,550	94	1,894,756	24,573,306	102

Ten Largest Taxpayers

The ten largest taxpayers in the County, the assessed taxable values of each within the County for Fiscal Year 2023, and the total taxes paid are presented below. **[TBD – County to confirm]**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Total Taxes Paid</u>
Duke Power	\$6,974,050	\$2,308,192
Laurens Electric Utilities	6,160,590	2,059,944
Wal-Mart	2,501,750	786,806
Carolina Gas Transmission	2,327,260	785,272
D&W	1,934,660	613,693
Teknor Apex	1,804,700	478,162
Michelin	1,648,610	475,433
D&W (FILOT)	1,282,785	430,541
Teknor Apex (FILOT)	918,139	308,155
Wal-Mart (FILOT)	<u>241,533</u>	<u>84,399</u>
Total	\$25,794,077	\$8,330,597

Source: County Treasurer.

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DEBT STRUCTURE

Constitutional Debt Limit

Section 14 of Article X of the Constitution provides that the governing bodies of counties of the State may issue bonded indebtedness in a principal amount not exceeding eight percent (8%) of the assessed value of all taxable property therein without a referendum (the “*Constitutional Debt Limit*”). Paragraph (6) of Section 14 of Article X of the Constitution further provides that general obligation debt authorized by a majority of the qualified electors of the issuer may be issued without consideration of the Constitutional Debt Limit otherwise imposed by Section 14 of Article X.

The County is authorized by law to incur general obligation indebtedness and may also contract for the acquisition of capital assets through lease-purchase agreements subject to annual appropriation termination clauses. The County has issued general obligation bonded indebtedness as described below, and has entered into several lease purchase agreements for equipment which are subject to annual appropriation. Payment of debt service of the County’s obligations is performed by the County Treasurer.

The County’s Constitutional Debt Limit is computed below:

Assessed Value ¹	\$247,092,744
Constitutional Debt Limit	\$19,767,420
Outstanding General Obligation Bonds as of March 1, 2024	\$22,227,084
Outstanding General Obligation Bonds Subject to the Constitutional Debt Limit as of March 1, 2024	\$3,479,084
Legal Debt Limit Available without a Referendum	\$16,288,336

¹ As of June 30, 2023. The assessed value of the County for the purposes of calculating the County’s Constitutional Debt Limit includes, in addition to the assessed value of taxable real and personal property, amounts calculated pursuant to statutory formulae for fee-in-lieu of tax property and merchants inventory, but does not include certain manufacturer’s exempt property or the assessed value of motor carrier reimbursements pursuant to §§ 12-37-2810 *et seq.* of the S.C. Code.

Source: Fiscal Year 2023 Financial Statements, County Auditor, County Treasurer, and internal records of the County.

Outstanding General Obligation Bonds

The outstanding general obligation bonded indebtedness of the County as of March 1, 2024 includes the issues listed below (collectively, the “*Outstanding Bonds*”):

<u>Description</u>	<u>Final Maturity</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>
Series 2015	7/15/2025	\$ 2,450,000	\$ 268,000
Series 2019A	3/01/2030	4,500,000	2,813,952
Series 2019B	3/01/2025	3,750,000	665,132
Series 2021	7/01/2029	<u>23,490,000</u>	<u>18,480,000</u>
	Total:	\$ 34,190,000	\$ 22,227,084

Note: The \$2,450,000 original principal amount General Obligation Bond, Series 2015 was issued on behalf of a special taxing district (see “– Special Taxing Districts” below) and does not count against the Constitutional Debt Limit. The \$23,490,000 original principal amount General Obligation Bonds, Series 2021 of the County was both approved by the voters of the County and does not count against the Constitutional Debt Limit. Totals may not foot due to rounding.

The following table shows the aggregate annual principal and interest requirements on the Outstanding Bonds (see “– Outstanding General Obligation Bonds” above).

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>
2024	\$ 5,450,312
2025	5,028,113
2026	4,076,784
2027	4,070,534
2028	4,067,034
2029	4,060,909
2030	<u>4,061,659</u>
TOTAL	\$ 30,815,346

Other Debt and Obligations

The County has no revenue bonds or lease-purchase obligations outstanding.

Future Debt Plans; Other Capital Needs

The County currently has no future debt plans within the next five years. To the extent the County does have capital projects it is anticipated these will be funded on a pay-as-you-go basis or through capital leases.

Miscellaneous Debt Information

The County has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the County within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The County has not used the proceeds of any bonds or other securities (other than tax anticipation notes) for current operating expenses at any time within the last 25 years.

Special Tax Districts

The Constitution and the general laws of the State empower counties to create special taxing districts and tax different areas at different rates of taxation related to the nature and level of governmental services provided. Among such general statutory authorizations are the provisions of the “Home Rule Act” enacted in 1975, the “County Public Works Improvement Act” enacted in 1993 and the “County Fire Protection Services Act” in 1984. Sections 12 and 14 of Article X of the Constitution provide that bonded indebtedness may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of a county, provided a special assessment, tax, or service charge, in an amount designed to provide debt service on bonded indebtedness incurred for such purposes, shall be imposed upon the area or persons receiving the benefit therefrom. Pursuant to the above-referenced constitutional provisions, general obligation debt so incurred shall not be considered in computing the bonded indebtedness of a county under its respective Constitutional Debt Limit. The County has from time to time issued general obligation bonds to fund improvements for special tax districts which are secured by a pledge of taxes or charges within the tax district as well as the full faith and credit of the County; the Series 2015 Bonds were issued to benefit the Laurens County Fire District under these provisions.

Overlapping Constitutional Debt Limits

Article X, Section 14 of the Constitution empowers each county, incorporated municipality and special purpose district, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, to incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt in an amount not

exceeding 8% of the assessed value of all taxable property therein. The constitutional debt limit of each political subdivision is independent, and separate and apart from that of any overlapping political subdivision.

Article X, Section 15 of the Constitution empowers each school district of the State to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness authorized by a majority vote of the qualified electors of a school district voting in a referendum will not be considered in the computation of the 8% limitation. This debt limit is independent, and separate and apart from any overlapping political subdivision.

Overlapping Debt

The following table sets forth, for each entity shown, (i) the amount of general obligation debt outstanding; (ii) the portion of each political subdivision’s assessed value within the County relative to that political subdivision’s total assessed value; and (iii) the amount of general obligation debt corresponding to such percentage. Amounts shown correspond to values as of June 30, 2023, unless otherwise noted.

	General Obligation Debt <u>Outstanding</u>	Percentage of Assessed Value and Corresponding Debt <u>within County</u>	Amount Applicable to <u>County Taxpayers</u>
<u>Municipalities</u>			
Laurens	\$ 1,150,000	100%	\$ 1,150,000
<u>School District</u>			
Laurens Co. School District No. 56	26,155,000	100%	26,155,000
<u>Special Purpose Districts</u>			
Laurens County Water and Sewer Commission	406,000	100%	406,000

Source: County Auditor; Information requests from or information published by each respective political subdivision.
 Note: Taxing entities without outstanding general obligation bonds are not shown. Does not include installment purchase revenue bonds, which have been issued by numerous entities in the County.
 * As of June 30, 2023.

Numerous other political subdivisions overlap or extend into the County. Such entities could increase the overlapping outstanding debt burden of taxpayers within the County through the issuance of general obligations bonds as described in “– Overlapping Constitutional Debt Limits” above.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The County’s population at the beginning of each of the preceding four decades and the most recent year available is set forth in the following table:

<u>Year</u>	<u>Population</u>	<u>Percent Increase from Prior Census</u>
1990	58,092	11.26%
2000	69,567	19.75
2010	66,537	(4.36)
2020	67,539	1.5
2022*	67,965	0.6

* Estimated.

Source: U.S. Census Bureau; U.S. Bureau of Economic Analysis.

Per Capita Income

The per capita income in the County, State, and United States for each of the last five years for which information is available is shown below:

<u>Year</u>	<u>County</u>	<u>South Carolina</u>	<u>United States</u>
2018	\$34,838	\$43,804	\$53,309
2019	36,135	46,149	55,547
2020	39,308	48,772	59,153
2021	42,450	52,828	64,430
2022	42,725	53,618	65,470

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Principal Employers

The following table lists the top ten employers in the County, their respective type of business or products, and the approximate number of employees. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below:

<u>Entity</u>	<u>Product</u>	<u>Number of Employees</u>
ZF Transmissions Gray Court LLC	Motor vehicle transmissions and power train parts	2,300
Laurens County School District #55	Education	1,195
Yanfeng Automotive Interiors	Motor vehicle parts - Other	860
Wal-Mart Distribution Center	Retail distribution and warehouse	858
Sterilite Corporation	Plastic products	675
Laurens County	Government	435
Country Fresh	Fresh produce	430
Laurens County School District #56	Education	400
Presbyterian College	Education	374
Prisma Health Laurens County Hospital	Medical	366

Source: Laurens County; Laurens County Development Corporation, Industrial Directory, updated October 2023

Labor Force

The size of the civilian labor force in the County, the number of those employed and unemployed, and corresponding percentage of those unemployed, is shown below for the most recent five calendar years for which information is available:

	<u>Annual Average</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Civilian Labor Force	29,947	29,391	30,197	29,640	30,069
Employed	28,868	28,538	28,122	28,382	29,056
Unemployed	1,079	853	2,075	1,258	1,013
Unemployment Percentage	3.6%	2.9%	6.9%	4.2%	3.4%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates

Yearly Comparative Unemployment. The following table shows annual unemployment rates for the County, the State, and the United States for the five most recent calendar years for which such information is available:

<u>Year</u>	<u>County</u>	<u>South Carolina</u>	<u>United States</u>
2018	3.5%	3.4%	3.9%
2019	2.9	2.8	3.7
2020	6.7	6.0	8.1
2021	4.2	3.9	5.3
2022	3.4	3.2	3.6

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Note: Unemployment rates are not seasonally adjusted.

Monthly Unemployment. The unemployment rate in the County on a monthly basis for the latest 12 months available:

<u>Month</u>	<u>Rate</u>
December 2022	3.1%
January 2023	3.5
February 2023	3.9
March 2023	3.5
April 2023	2.6
May 2023	3.0
June 2023	3.8
July 2023	3.7
August 2023	2.6
September 2023	2.8
October 2023	3.2
November 2023	3.2 ^P

Source: U.S. Department of Labor, Bureau of Labor Statistics.

^P Preliminary.

Retail Sales

The following table shows retail sales for businesses located in the County for the last five calendar years for which information is available:

<u>Year</u>	<u>Total Retail Sales</u>
2018	\$1,646,426,483
2019	1,701,568,739
2020	1,638,363,183
2021	1,918,586,750
2022	2,263,338,621

Source: South Carolina Department of Revenue.

Building Permits

The following table shows the number of residential and non-residential building permits issued by the County for the calendar years shown.

<u>Calendar Year</u>	<u>Residential</u>		<u>Non-Residential</u>	
	<u># of Permits</u>	<u>Cost</u>	<u># of Permits</u>	<u>Cost</u>
2019	1,263	\$34,468,049	102	\$11,662,600
2020	1,707	43,944,849	97	25,724,469
2021	1,868	47,629,733	106	20,864,105
2022	1,905	63,580,904	126	44,615,917
2023	2,153	86,806,690	109	9,484,686

Source: Laurens County Building Codes.

Capital Investment

Set forth below is a table showing the dollar value of announced industrial investment, including new and expanding industries, and the number of announced jobs to be created in connection therewith in the County in the five calendar years shown:

<u>Year</u>	<u>Capital Investment</u>	<u>Announced Jobs</u>
2019	\$ 18,800,000	114
2020	11,700,000	80
2021	96,700,000	279
2022	102,400,000	413
2023	580,580,000	548
2024 ¹	2,500,000	40

¹ As of January 24, 2024

Source: South Carolina Department of Commerce.

Economic Development

The following are descriptions of recent capital investment announcements in the County which include estimates of investment and job creation at the time of announcement:

In January 2024, Flame Spray North America, a thermal spray coatings manufacturer, announced plans to expand its operations in the County. The company's \$2.5 million investment is projected to create 40 new jobs.

In December 2023, Alupress, LLC (Alupress), a manufacturer of automotive die casting components, announced plans to expand its operations in the County. The company's \$25.98 million investment is anticipated to create 64 new jobs.

In December 2023, Tomahawk Processing LLC announced plans to establish operations in the County. The company's investment of \$5 million is anticipated to create 26 new jobs and will provide beef processing and packaging services.

In November 2023, ZF Group, an original equipment supplier for passenger cars, commercial vehicles and industrial technology, announced its expansion of ZF Transmissions Gray Court, its manufacturing facility in Laurens County. The \$500 million investment will create 400 new jobs.

In January 2023, Yanfeng, a leading global automotive supplier with focus on interior, exterior, seating, cockpit electronics and passive safety, announced the expansion of its operations in the County. The company's \$49.6 million investment is projected to create 58 new jobs over the next five years.

In November 2022, Motor City Racks, a supplier of automotive and industrial racking products, announced plans to expand its South Carolina footprint with new operations in the County. The company's \$26 million investment is projected to create 88 new jobs.

In September 2022, Europastry, a global leader in baked goods, announced plans to establish operations in the County. The company's \$23 million investment is anticipated to create 155 new jobs.

In August 2022, Sunny Days Entertainment, LLC, a leading supplier, distributor, and manufacturer of children's toys, announced plans to move its expanding corporate headquarters to the County. The company's \$16 million investment is anticipated to create 80 new jobs.

In February 2022, Blue Diamond Industries, a subsidiary of Hexatronic Group AB in Sweden and a manufacturer of materials for the protection of fiber optic, data and power cables, announced plans to establish operations in the County. The company's initial investment of \$18 million is projected to create more than 90 new jobs.

In January 2022, Shamrock Technologies, Inc., one of the world's largest processors and developers of specialty natural and synthetic wax additives, announced plans to establish operations in the County. The company's \$19.4 million investment is expected to create growth opportunities in emerging markets.

In July 2021, Malouf Companies, a diverse consumer goods business, announced plans to establish operations in the County. The \$47.2 million investment is projected to create 240 new jobs.

In March 2021, Fibertex Nonwovens, Inc., a manufacturing company that specializes in spunlace products, announced plans to expand operations in the County. The company's investment is projected to total \$49.5 million and is anticipated to create 39 new jobs.

In November 2020, Setterstix Corporation, a company that manufactures paper sticks for candy, cotton swabs, healthcare and novelty items, announced plans to establish operations in the County. The company's investment is projected to total \$11.7 million and is anticipated to create 80 new jobs.

Facilities Serving the County

Transportation. The County has two Interstate highway systems and three U.S. Highways, which run through it. I-26 runs east to west from Charleston to Asheville, North Carolina, and I-385 runs from the County to Greenville.

More than 40 motor freight carriers serve the County. All major market segments on the East Coast and most of the markets east of the Mississippi River are within a two-day drive of the County.

The Greenville-Spartanburg International Airport (“GSP”), which is located approximately 35 miles from the County seat of Laurens, typically serves more than 2.6 million passengers per year through airlines offering an average of 50 nonstop daily departures to 22 major cities across the United States. Currently, GSP is served by seven different airlines. In 2022, GSP moved 87,887 tons of cargo. The GSP terminal building has 322,446 square feet of space, third level jet bridge boarding and 13 departure gates. At 11,001 feet long, GSP can accommodate any aircraft currently in operation today. A 120,000 square-foot Federal Express facility and rental car service facilities are adjacent to GSP.

The Port of Charleston (the “Port”) is 168 miles away from the County and easily accessible via I-26. It is operated by the South Carolina Ports Authority. The South Carolina Inland Port Greer (“Inland Port Greer”), is also owned and operated by the South Carolina Ports Authority, and opened in October 2013. It is a 91-acre intermodal facility located near GSP in Spartanburg County. Rail service between Charleston, South Carolina and Inland Port Greer runs six days per week allowing for the flow of cargo between the Port and many manufacturing and distribution facilities located in Laurens, Spartanburg, Greenville, and other counties in the upstate of South Carolina. Inland Port Greer boosts efficiency for international freight movements between the Port and companies located across the Southeast. Inland Port Greer had more than 150,000 rail lifts at the facility in the 2022 fiscal year. Norfolk Southern serves Inland Port Greer through its main rail line, and the facility is positioned along the Interstate 85 corridor between Charlotte and Atlanta, where Norfolk Southern operates additional rail yards.

Medical and Health Services. Healthcare in the community is available at the Prisma Health Laurens County Hospital (the “Hospital”), recognized as one of State’s most progressive community hospitals and offering 90 beds. Of its 90 beds, 76 are acute and 14 are skilled. The Hospital received Gold Level Recognition by the American Heart Association and American Medical Association for its practices in controlling patient blood pressure. The Hospital has been recognized as a Blue Distinction Center for Maternity Care by SC BlueCross.

Public Schools. Public school education is provided by the School Districts. The School Districts receive no financial assistance from the County and operate as separate and independent political entities deriving their revenues for the most part from local school district property taxes, state appropriations, and federal sources.

Higher Education. In addition to the public schools, college level education is also provided within the County. Presbyterian College (“PC”) is a top-ranked Carnegie One Liberal Arts College affiliated with the Presbyterian Church. PC had a Fall 2023 enrollment of 1,099 students. PC graduates have acceptance rates of 90% and higher into schools of medicine, law, religion, business and other graduate programs. Piedmont Technical College (“Piedmont”) was established in 1966 to serve Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry, Saluda and other surrounding counties with campus locations in each of the aforementioned counties. Piedmont has the following areas of study: Arts and Humanities, Business, Healthcare, Public Service/Education, STEM, and Skilled Trades/Advanced Manufacturing.

Recreation. A variety of activities abound in the County throughout the year in the community and surrounding area. A number of large parks and lakes in the surrounding area offer opportunities for hiking, fishing and boating. A variety of athletic events are available for the spectator or participant at any of the three YMCAs, nationally-ranked college athletics, or professional football, baseball, basketball and hockey teams. Laurens Speedway offers auto racing from April through September. Darlington International Raceway and Charlotte Motor Speedway are easy drives. Clinton House Plantation offers duck, whitetail and turkey hunts. The County also has two private 18-hole golf courses: Musgrove Mill and Lakeside County Club. Rolling S Golf Club is a public 18-hole course. Laurens County Community Theatre offers several performances of top name productions each season.

