



AGENDA
ANDERSON COUNTY COUNCIL
SPECIAL CALLED MEETING
Wednesday, September 14, 2022, at 6 p.m.
Historic Courthouse
101 S. Main Street
Anderson, South Carolina
Chairman Tommy Dunn, Presiding

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Hon. Jimmy Davis

3. CITIZENS COMMENTS

Agenda Matters Only

4. ORDINANCE THIRD READING:

- a. 2022-038:** An Ordinance authorizing Anderson County, South Carolina to enter into an installment purchase transaction to provide for the construction, reconstruction, acquisition, installation, renovation, and equipping of a detention facility and related improvements and infrastructure; authorizing the execution and delivery of various documents relating to such transaction, including the base lease agreement and the installment purchase and use agreement; approving the issuance of not exceeding \$55,000,000 aggregate principal amount of bonds by the Anderson County Detention Facilities Corporation; delegating authority to the Chairman of County Council and County Administrator to effect such transaction and determine certain matters; and providing for other matters relating thereto.

Mr. Rusty Burns (allotted 5 minutes)

5. REMARKS FROM COUNCIL

6. ADJOURNMENT

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures in order to participate in this program, service or activity please contact the office of the program, service or activity as soon as possible but no later than 24 hours before the scheduled event. For assistance, please contact the Clerk to Council at (864) 260-1036.

Tommy Dunn
Chairman, District Five

John B. Wright, Jr.
District One

Ray Graham
District Three

M. Cindy Wilson
District Seven



Brett Sanders
V. Chairman, District Four

Glenn Davis
District Two

Jimmy Davis
District Six

Renee Watts
Clerk to Council

Rusty Burns
County Administrator

ORDINANCE AUTHORIZING INSTALLMENT
PURCHASE TRANSACTION

Ordinance No. 2022-038

AN ORDINANCE AUTHORIZING ANDERSON COUNTY, SOUTH CAROLINA TO ENTER INTO AN INSTALLMENT PURCHASE TRANSACTION TO PROVIDE FOR THE CONSTRUCTION, RECONSTRUCTION, ACQUISITION, INSTALLATION, RENOVATION, AND EQUIPPING OF A DETENTION FACILITY AND RELATED IMPROVEMENTS AND INFRASTRUCTURE; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATING TO SUCH TRANSACTION, INCLUDING THE BASE LEASE AGREEMENT AND THE INSTALLMENT PURCHASE AND USE AGREEMENT; APPROVING THE ISSUANCE OF NOT EXCEEDING \$55,000,000 AGGREGATE PRINCIPAL AMOUNT OF BONDS BY THE ANDERSON COUNTY DETENTION FACILITIES CORPORATION; DELEGATING AUTHORITY TO THE CHAIRMAN OF COUNTY COUNCIL AND COUNTY ADMINISTRATOR TO EFFECT SUCH TRANSACTION AND DETERMINE CERTAIN MATTERS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT ORDAINED, BY THE COUNTY COUNCIL OF ANDERSON COUNTY, SOUTH CAROLINA, AS FOLLOWS:

ARTICLE I

FINDINGS OF FACT

Section 1.1 Findings. The County Council ("**County Council**") of Anderson County, South Carolina (the "**County**"), hereby finds and determines:

(a) The County is a political subdivision and county of the State of South Carolina (the "**State**"), and as such possesses all powers granted to counties by the Constitution of the State of South Carolina 1895, as amended, and laws of the State.

(b) Section 4-9-25 of the Code of Laws of South Carolina 1976, as amended (the "**South Carolina Code**"), provides, in part, that counties "have authority 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." Section 4-9-30 of the South Carolina Code empowers all counties to acquire and possess real and personal property and, upon such terms as a county council may determine, to lease, sell, or otherwise dispose of such property.

(c) At present, the County jail facilities are inadequate for their intended purpose due to capacity, design, and age issues. In light of these conditions and in order to provide for sufficient capacity, adequate officer and inmate safety, and programs consistent with modern jail facilities, the County finds that it is necessary for the health, safety, welfare, and morals of the citizens of the County to cause and authorize the construction, reconstruction, acquisition, installation, renovation, and equipping of jail facilities and related improvements and infrastructure (the "**2022 Project**"). The total cost of the 2022 Project is expected not to exceed \$55,000,000, inclusive of transaction costs.

(d) The County Council has determined to defray the costs of the 2022 Project through an installment purchase transaction, or transactions, pursuant to which the County will enter into a Base Lease (as defined herein and the form of which is attached hereto as Exhibit A) and an Purchase and Use Agreement (as defined herein and the form of which is attached hereto as Exhibit B) (the consummation of such agreements and the 2022 Project are collectively referred to herein as the "**Transaction**"). Such Base Lease and Purchase and Use Agreement may be amended from time to time to allow for multiple transactions.

(e) Pursuant to the provisions of the Base Lease, the County will (i) lease certain real property (as more specifically defined herein, the "**2022 Real Property**") underlying the Facilities (as defined in the Purchase and Use Agreement) to the Corporation (as defined herein) in consideration of the issuance by the Corporation of one or more series of installment purchase revenue bonds which will be issued pursuant to the provisions of the Trust Agreement (as defined herein), and (ii) convey the improvements situated on the 2022 Real Property to the

Corporation so that they may be incorporated into the 2022 Project. The Bonds (as defined herein) will be paid by the Corporation from the receipts of certain payments (the “**Installment Payments**”) made by the County to the Corporation under the provisions of the Purchase and Use Agreement. Pursuant to the provisions of the Purchase and Use Agreement, the County will agree to purchase the Facilities from the Corporation by making the Installment Payments.

(f) Installment purchase revenue bonds will be issued by the Corporation in one or more series in an amount determined by the Corporation in an aggregate principal amount not exceeding \$55,000,000, and shall be captioned as “Installment Purchase Revenue Bonds (Anderson County Jail Project), Series 2022 (the “**Bonds**”). The Corporation shall change the bond caption or series designation as appropriate to reflect transaction timing and structure, upon advice received and as appropriate. The proceeds of the Bonds may be used (i) to defray the cost of the 2022 Project, and (ii) to pay costs related to the issuance of the Bonds, including any premium due on any municipal bond insurance policy, if any.

(g) The rights to receive Installment Payments are being assigned by the Corporation to the Trustee under the Trust Agreement as security and the source of payment for the Bonds.

(h) The County Council has determined that the Transaction will serve a proper public and corporate purpose of the County.

(i) As previously discussed, in order to provide for the 2022 Project, the County Council has determined that it is necessary and in the best interest of the County to enter into the Transaction authorized by this Ordinance with the Corporation.

* * *

ARTICLE II

DEFINITIONS

Section 2.1 Definitions. The terms defined in this Section for all purposes of this Ordinance shall have the respective meanings as set forth in this Section. The term:

“2022 Project” has the meaning given such term in the recitals of this Ordinance.

“2022 Real Property” means all those certain pieces, parcels or tracts of land as described in the Base Lease and at Exhibit C attached hereto.

“Authorized Officer” means the Chairman and the County Administrator, each of whom is authorized to act individually as the Authorized Officer.

“Base Lease” means the Base Lease Agreement by and between the County and the Corporation to be dated as of the date of its delivery, as the same may be amended or supplemented from time to time, the form of which is attached hereto as Exhibit A.

“Bond Counsel” shall mean with respect to the Bonds, Pope Flynn, LLC, and in any other context shall include an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state, and public agency financing.

“Bonds” has the meaning given such term in Section 1.1(f) hereof.

“Chairman” means the Chairman of County Council of Anderson County, South Carolina.

“Clerk” means the Clerk to County Council of Anderson County, South Carolina. **“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 the Anderson County Detention Facilities Corporation, a South Carolina nonprofit public benefit corporation.

“County” means Anderson County, South Carolina.

“County Administrator” means the County Administrator of Anderson County, South Carolina.

“County Council” means the County Council of Anderson County, South Carolina.

“Facilities” has the meaning given such term in the Purchase and Use Agreement.

“Financing Documents” means, collectively, the Base Lease, the Purchase and Use Agreement, and the Trust Agreement, as each may be amended or supplemented from time to time.

“Official Statement” means the official statement prepared in connection with the sale of the Bonds.

“Ordinance” means this Ordinance of the County.

“Preliminary Official Statement” means the preliminary official statement prepared in connection with the sale of the Bonds.

“Purchase and Use Agreement” means the one or more Installment Purchase and Use Agreements by and between the Corporation and the County to be dated as of the date of its delivery to provide for the County’s acquisition of the Facilities, as may be amended from time to time, the form of which is attached hereto as Exhibit B.

“South Carolina Code” shall mean the Code of Laws of South Carolina 1976, as amended.

“State” shall mean the State of South Carolina.

“Trust Agreement” means the Trust Agreement by and between the Corporation and Regions Bank, as Trustee, to be dated as of the date of its delivery, as the same may be amended or supplemented from time to time by the parties thereto.

“Trustee” means Regions Bank, in the capacity as Trustee.

* * *

ARTICLE III

AUTHORIZATION OF INSTALLMENT PURCHASE TRANSACTION

Section 3.1 Authorization for the Transaction. The Transaction is hereby approved. The Authorized Officer and other appropriate officers and agents of the County are empowered and directed to negotiate, execute, and deliver contracts, agreements, certificates, and conveyances necessary or convenient to accomplish the Transaction, including the Financing Documents.

Section 3.2 Approval of Corporation and Issuance of the Bonds. (a) The County hereby approves the formation, purposes, and activities of the Corporation as the same are set forth in the bylaws of the Corporation.

(b) The County hereby approves the issuance by the Corporation of the Bonds as a single series, or from time to time as several series of Bonds. In the event multiple series of bonds are issued, or in the event there is only issued a single series, the first series or single series, as appropriate, shall be issued within one year of the date hereof. No Bonds shall mature later than December 31, 2052. The foregoing authorization related to the issuance of the Bonds is explicitly conditioned on the prior or simultaneous execution by the Authorized Officer of the Purchase and Use Agreement and the Base Lease. The County also acknowledges that, in accordance with the provisions of the Purchase and Use Agreement, the County will acquire absolute title to the Facilities upon payment of all amounts due under the Purchase and Use Agreement; *provided, however,* that the County does not hereby waive its right to terminate the Purchase and Use Agreement prior to such payment in accordance with the provisions of the Purchase and Use Agreement.

(c) An Authorized Officer is hereby authorized to execute and deliver, on behalf of the County an agreement, or to make covenants, to provide continuing disclosure regarding County financial and operating information.

Section 3.3 Approval of Base Lease, Purchase and Use Agreement, and Trust Agreement. (a) The County Council has reviewed the Base Lease, the form of which is attached to this Ordinance as Exhibit A. The Base Lease is approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Base Lease were set out in this Ordinance in its entirety. The Authorized Officer is hereby authorized, empowered, and directed to execute, acknowledge, and deliver, and the Clerk is hereby authorized, empowered, and directed to attest, the Base Lease in the name and on behalf of the County, and thereupon to cause the Base Lease to be delivered to the Corporation and to cause the Base Lease (or memoranda thereof) to be recorded in the office of the Register of Deeds for Anderson County. The Base Lease is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the Authorized Officer. Such changes shall be made only after receipt of the advice of legal counsel and may include such terms and conditions as are useful or necessary to carry out the purposes of this Ordinance. The execution thereof by an Authorized Officer and the Clerk constitutes conclusive evidence of approval of any and all changes or revisions therein from the form of Base Lease now before this meeting.

Any amendment to the Base Lease shall be executed in the same manner. The Base Lease may be effected through one or more Base Leases.

(b) The County Council has reviewed the Purchase and Use Agreement, the form of which is attached to this Ordinance as Exhibit B. The Purchase and Use Agreement is approved and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if the Purchase and Use Agreement were set out in this Ordinance in its entirety. The Authorized Officer is hereby authorized, empowered, and directed to execute, acknowledge, and deliver, and the Clerk is hereby authorized, empowered, and directed to attest, the Purchase and Use Agreement in the name and on behalf of the County, and thereupon to cause the Purchase and Use Agreement to be delivered to the Corporation and to cause the Purchase and Use Agreement (or memoranda thereof) to be recorded in the office of the Register of Deeds for Anderson County. The Purchase and Use Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the Authorized Officer. Such changes shall be made only after receipt of the advice of legal counsel and may include such terms and conditions as are useful or necessary to carry out the purposes of this Ordinance. The execution thereof by the Authorized Officer and the Clerk constitutes conclusive evidence of approval of any and all changes or revisions therein from the form of the Purchase and Use Agreement now before this meeting. Any amendment to the Purchase and Use Agreement shall be executed in the same manner. The Purchase and Use Agreement may be effected through one or more Purchase and Use Agreements.

(c) The County is not a party to the Trust Agreement, but the County acknowledges that the Trust Agreement is an integral part of the documents related to the Transaction. The form of the Trust Agreement previously presented to the County Administrator and made available for review by the County Council is hereby approved by the County Council with such additions, deletions, amendments and changes as may be deemed necessary by the parties thereto and approved by the County Administrator prior to the consummation of the Transaction. Such changes shall be made only after receipt of the advice of legal counsel to the County and may include such terms and conditions as are useful or necessary to carry out the purposes of this Ordinance. The Trust Agreement may be effected through one or more Trust Agreements, as any of such agreements may be supplemented or amended to carry out the Transaction.

Section 3.4 Selection of Trustee. The County and the Corporation have selected Regions Bank as the Trustee in connection with the Transaction. The Authorized Officer is hereby authorized, with advice from Bond Counsel and the consent of the Corporation, to transact with the Trustee to effect the Transaction.

Section 3.5 Execution of Documents. (a) The Authorized Officer is fully empowered and authorized to take such further actions and to execute and deliver such additional documents as may be deemed necessary or desirable in order to effectuate the execution and delivery of the Base Lease and the Purchase and Use Agreement in accordance with the terms and conditions therein set forth, and the transactions contemplated hereby and thereby, and the action of such officer in executing and delivering any of such documents is hereby fully authorized. The Authorized Officer is authorized to negotiate and execute any bond purchase agreement, term

sheet, or other purchase document related to the Bonds, and actions previously taken to such effect are fully ratified.

(b) The County Administrator is hereby authorized on behalf of the County to “deem final” within the meaning of Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended any Preliminary Official Statement, and the Chairman is authorized to execute and deliver the final Official Statement, insofar as the same includes any County information necessary or convenient for the sale of the Bonds.

Section 3.6 Coordination with County Procurement Policies.

(a) The Corporation has resolved to abide by County procurement policies and the development of the 2022 Project shall be completed in accordance with such procurement policies.

(b) The County procurement policy does not address the sale of municipal bonds or the coordination of activities with a special purpose nonprofit corporation to finance County- used facilities by such entity, acting on behalf of the County within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24 and Treasury Regulation Section 1.103-1(b). The County explicitly approves the Transaction and the Financing Documents hereinabove, and approves the sale of the Bonds in a manner consistent with sound principles of appropriately competitive procurement, which the County finds shall be satisfied if (i) in the case of a bank direct purchase, a request for proposals is requested from not less than 15 financial institutions and the Bonds are awarded based on the bid offering lowest interest cost that contains acceptable redemption and other terms, or (ii) in the case of a public markets sale, the Bonds are sold (a) competitively after not less than seven days public notice using an electronic bidding platform, such as the BiDCOMP/Parity Electronic Bid Submission System and awarded based on lowest interest cost, or (b) pursuant to negotiation, provided that a request for proposals is requested from not less than three underwriting firms with experience with installment purchase revenue bond transactions in the State and the underwriter is selected based on qualifications. In connection with any bond sale, all requests for proposals and bids may be communicated electronically, including by email by the County’s financial advisor, First Tryon Advisors, as its agent. To the extent of any conflict between the Transaction, the Financing Documents, and the manner of sale of the Bonds on the one hand, and the County procurement policies on the other, this Ordinance shall control and constitute the County procurement policies for all purposes hereunder.¹ The authorizations provided herein are explicitly found to embody sound principles of appropriately competitive procurement.

* * *

¹ See *Glasscock Co., Inc. v. Sumter Cnty.*, 361 S.C. 483, 491, 604 S.E.2d 718, 722 (Ct. App. 2004) (allowing “local governments needed flexibility to determine what is ‘appropriately competitive’ in light of the public business they must transact”).

ARTICLE IV

TAX COVENANTS

Section 4.1 Tax Covenants. The Corporation is issuing the Bonds on behalf of the County. Without limiting the generality of the foregoing, the County represents and covenants, except as to any portion of the Bonds that may be issued on a federally taxable basis, that:

(i) The County will not permit the proceeds of the Bonds or any facility financed or refinanced with the proceeds thereof to be used in any manner that would cause the Bonds to meet the private business tests of Section 141(b)(1) and (2) of the Code or the private loan financing test of Section 141(c) of the Code.

(ii) The County is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 2017-13.

(iii) The County will not sell or lease the Facilities obtained with proceeds of the Bonds or the 2022 Real Property to any person unless it obtains an opinion of Bond Counsel that such lease or sale will not adversely affect the designation of the Bonds as tax-exempt bonds.

(iv) The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

(v) The County, pursuant to Purchase and Use Agreement, will have exclusive beneficial use of the 2022 Project for the life of the Bonds for the purposes of Sec. 3.041(a) of Rev. Proc. 82-26, 1982-1 CB 476.

* * *

ARTICLE V

MISCELLANEOUS

Section 5.1 Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 5.2 Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the County, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 5.3 Effective Date. This Ordinance shall be effective upon its enactment by the County Council.

* * *

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ORDAINED in meeting duly assembled this 14th day of September 2022.

ATTEST:

ANDERSON COUNTY COUNCIL

Rusty Burns
Anderson County Administrator

Tommy Dunn, Chairman

Renee Watts
Anderson County Clerk to Council

Approved as to form:

Leon C. Harmon
Anderson County Attorney

First Reading:	August 30, 2022
Second Reading:	September 6, 2022
Public Hearing:	September 6, 2022
Third Reading:	September 14, 2022

EXHIBIT A
FORM OF BASE LEASE

BASE LEASE AGREEMENT

between

ANDERSON COUNTY, SOUTH CAROLINA
as lessor

and

ANDERSON COUNTY DETENTION FACILITIES CORPORATION
as lessee

Dated as of [Closing Date]

All rights, title and interest of the Anderson County Detention Facilities Corporation in this Base Lease Agreement have been assigned to Regions Bank 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 [Closing Date] (this “**Base Lease**”) is made and entered into by and between the ANDERSON COUNTY DETENTION FACILITIES CORPORATION (together with its successors and assigns, the “**Corporation**”), a South Carolina nonprofit corporation, as lessee, and ANDERSON 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 2022 Real Property (as defined herein);

WHEREAS, the County desires to lease the 2022 Real Property to the Corporation so that the Corporation may provide for the 2022 Project (as defined in the hereinafter defined Purchase and Use Agreement) with the proceeds of the Series 2022 Bonds (as defined in the hereinafter defined Trust Agreement);

WHEREAS, the Facilities (as defined in the hereinafter defined Purchase and Use Agreement) will be sold by the Corporation to the County under the terms of an Installment Purchase and Use Agreement dated of even date herewith (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 Regions Bank, as trustee (the “**Trustee**”), pursuant to the terms of a Trust Agreement dated of even date herewith (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 desires 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:

“2022 Project” has the meaning set forth in the Purchase and Use Agreement.

“2022 Real Property” means the real property, absent any improvements thereon, on which the 2022 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) [December 31, 2047][December 31, 2057], or (ii) the date on which the Series 2022 Bonds are discharged within the meaning of Section 3.19(d) of the Trust Agreement.

“Corporation” means the Anderson County Detention Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

“County” means Anderson County, South Carolina.

“County Council” means the County Council of Anderson 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.

“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 the Ordinance enacted by the Council on [September 14, 2022], 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 Regions Bank, a corporation organized and existing under the laws of the State of Alabama, 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 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 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 demise and lease of the 2022 Real Property by the County to the Corporation, as provided in this Base Lease, in order to allow the Corporation (i) to construct, reconstruct, acquire, install, renovate, and equip the 2022 Project, (ii) to provide for the issuance of the Series 2022 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 2022 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 2022 Real Property existing on the date hereof. Any improvements on the 2022 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 2022 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 2022 Project, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2022 Bonds payable from and secured by the Installment Payments under the Purchase and Use Agreement.

* * *

ARTICLE III

CONVEYANCE AND LEASE OF THE 2022 REAL PROPERTY AND CONVEYANCE OF IMPROVEMENTS

Section 3.1 Lease of the 2022 Real Property; Conveyance of Facilities. The County hereby demises and leases to the Corporation and the Corporation hereby leases from the County the 2022 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 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 B 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 2022 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 2022 Real Property or the Facilities or any portion thereof, or (3) remove, modify, or alter the 2022 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 2022 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 2022 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 2022 Real Property for its intended purposes. Such instruments may include a termination of this Base Lease with respect to such portion of the

2022 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 2022 Real Property affected thereby will not be impaired or hampered thereby; (2) access to the 2022 Real Property for ingress and egress will be adequate for the purposes for which the 2022 Real Property is intended to be used; and (3) the value of the 2022 Real Property to the County will not be significantly diminished thereby.

(b) The Corporation may also terminate this Base Lease with respect to any portion of the 2022 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 2022 Real Property deemed excess or unneeded; (2) an amendment to Exhibit A hereto revising the description of the affected parcel of the 2022 Real Property; (3) a certificate from an engineer or architect stating that the remaining 2022 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 2022 Real Property for ingress and egress; and (4) a certification from the County that the portion of the 2022 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 2022 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 2022 Real Property and that all title and interest in the Facilities and the 2022 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 2022 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 2022 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 2022 Real Property or the Facilities or to take possession of the 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Real Property, the provisions of Article VII of the Purchase and Use Agreement shall be deemed to apply with respect to the 2022 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 2022 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 2022 Real Property, the proceeds of any insurance or condemnation awards allocable to the Corporation's interest in the 2022 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 11

CONTROL OF 2022 REAL PROPERTY AND FACILITIES DURING BASE LEASE TERM

Section 5.1 Control of 2022 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 2022 Real Property and the Facilities and their operation.

* * *

ARTICLE 12

MISCELLANEOUS

Section 6.1 Covenants Running with the 2022 Real Property. All covenants, promises, conditions, and obligations herein contained or implied by law are covenants running with the 2022 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 [Closing Date].

**ANDERSON COUNTY, SOUTH
CAROLINA**

(SEAL)

Witnesses

By: _____
[Name, Title]

Attest:

[Name, Title]

**ANDERSON COUNTY DETENTION
FACILITIES CORPORATION**

(SEAL)

Witnesses

By: _____
[Name, Title]

Attest:

[Name, Title]

PROBATE

PROBATE

A-18

EXHIBIT A
DESCRIPTION OF THE 2022 REAL PROPERTY

[Insert Description Prior to Execution]

EXHIBIT B

**FORM OF SUPPLEMENT TO BASE LEASE AGREEMENT
(ADDITIONAL REAL PROPERTY)**

THIS SUPPLEMENT TO BASE LEASE AGREEMENT (this “**Supplement**”) dated _____, 20__, by and between ANDERSON COUNTY, SOUTH CAROLINA, a political subdivision duly existing under the laws of the State of South Carolina, as lessor (the “**County**”), and the ANDERSON COUNTY DETENTION 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 [Closing Date] (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:

ANDERSON COUNTY DETENTION
FACILITIES CORPORATION

By: _____
Its: _____

By: _____
Its: _____

COUNTY:

ANDERSON COUNTY, SOUTH CAROLINA

By: _____
Its: _____

EXHIBIT B

FORM OF PURCHASE AND USE AGREEMENT

INSTALLMENT PURCHASE AND USE AGREEMENT

between

ANDERSON COUNTY DETENTION FACILITIES CORPORATION
as Seller

and

ANDERSON COUNTY, SOUTH CAROLINA
as Buyer

\$(PAR A)

ANDERSON COUNTY DETENTION FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(ANDERSON COUNTY JAIL PROJECT)
SERIES 2022A

\$(PAR B)

ANDERSON COUNTY DETENTION FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(ANDERSON COUNTY JAIL PROJECT)
TAXABLE SERIES 2022B

Dated as of [Closing Date]

All right, title and interest of Anderson County Detention Facilities Corporation in this Installment Purchase and Use Agreement (with certain exceptions) have been assigned to Regions Bank, 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 [October 26, 2022] (this “**Purchase and Use Agreement**”), is made and entered into by and between ANDERSON COUNTY DETENTION FACILITIES CORPORATION (together with its successors and assigns, the “**Corporation**”), a South Carolina nonprofit corporation, as seller, and ANDERSON 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;

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 Code of Laws of South Carolina, 1976, as amended (the “**Act**”), to enter into this Purchase and Use Agreement;

WHEREAS, the Corporation and the County have entered into a Base Lease Agreement dated of even date herewith (the “**Base Lease**”) pursuant to which the County is leasing the 2022 Real Property (as such term is defined in the Base Lease) to the Corporation so that the Corporation, as consideration, may provide for the 2022 Project (as defined herein) from the proceeds of the Series 2022 Bonds (as defined herein);

WHEREAS, the cost of the 2022 Project is expected to be approximately \$55,000,000, inclusive of financing and transaction costs;

WHEREAS, the Corporation will sell the Facilities 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 2022 Project, and (ii) to pay costs related to the issuance of the Series 2022 Bonds, the Corporation has entered into a Trust Agreement, dated of even date herewith (the “**Trust Agreement**”), by and between the Corporation and Regions Bank, as trustee (the “**Trustee**”), and authorized the issuance of its (i) \$[PAR A] Installment Purchase Revenue Bonds (Anderson County Jail Project), Series 2022A (the “**Series 2022A Bonds**”), and (ii) \$[PAR B] Installment Purchase Revenue Bonds (Anderson County Jail Project), Taxable Series 2022B (the “**Series 2022B Bonds**” and collectively with the Series 2022A Bonds, the “**Series 2022 Bonds**”);

WHEREAS, the County Council of Anderson County, the governing body of the County, has enacted an authorizing ordinance on [September 14, 2022] (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 2022 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 2022 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 2022 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 2022 Bonds.

NOW, THEREFORE, for and in consideration of the Corporation's undertaking of the 2022 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.

"2022 Project" means the construction, reconstruction, acquisition, installation, renovation, and equipping of a detention facility and related improvements on the 2022 Real Property.

"2022 Real Property" has the meaning give such term in the Base Lease. As of the date of this Purchase and Use Agreement, the 2022 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 C 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 2022 Real Property that is or will become the site of Additional Facilities and as described in a supplement to the Base Lease.

"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 of even date herewith, between the County and the Corporation, as it may be amended or supplemented from time to time.

“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 2022 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 allocated to the Corporation as the result of a partition under the provisions of Section 2.4 hereof.

“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 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.

“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.

“Facilities” means the improvements currently existing and to be constructed on the 2022 Real Property (including the 2022 Project and any other the improvements currently existing or to exist on the 2022 Real Property (subject to Section 3.1(c) hereof)), including fixtures and any future additions, modifications, and substitutions to any facilities on the 2022 Real Property and any personal property located on the 2022 Real Property financed with the Series 2022 Bonds, as 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.

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

“Initial Installment Payment” has the meaning given such term in Section 4.1 hereof.

“Installment Payments” means the payments to be paid by the County pursuant to Sections 4.1, 4.2, and 4.4 hereof, and shall include, without limitation, the Initial Installment Payment.

“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, 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 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 2022 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.

“Project Funds” means the funds of such names 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 2022 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 2022 Bonds, provided all Security Documents, or copies thereof, must be filed with the Trustee.

“Series 2022A Bonds” means the \$[PAR A] Installment Purchase Revenue Bonds (Anderson County Jail Project), Series 2022A, of the Corporation, dated the date of their delivery, and authorized by and secured under the Trust Agreement.

“Series 2022B Bonds” means the \$[PAR B] Installment Purchase Revenue Bonds (Anderson County Jail Project), Taxable Series 2022B, of the Corporation, dated the date of their delivery, and authorized by and secured under the Trust Agreement.

“Series 2022 Bonds” means any or all of the Series 2022A Bonds and the Series 2022B Bonds.

“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 2022 Bonds and Initial Installment Payment are applied solely to pay the costs of the 2022 Project and will take such action as is necessary to assure that the 2022 Project is completed. In the event the amounts available from the Bond Proceeds together with the Initial Installment Payment 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 2022 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 2022 Bonds, there] 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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) 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 2022 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 2022 Bonds payable from and secured by the Installment Payments under this Purchase and Use Agreement.

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ARTICLE II

INSTALLMENT SALE OF FACILITIES; USE OF 2022 REAL PROPERTY AND FACILITIES AND TERM THEREOF

Section 2.1 Installment Sale of Facilities; Use of 2022 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 2022 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 2022 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 2022 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 [October 1, 2042].

During the term hereof, the County may permit use of portions of the 2022 Real Property and the Facilities subject to the following limitations: (i) the 2022 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 2022 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 [October 1, 2042], 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, 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 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 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 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 may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee in the division of the Facilities. The Trustee 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) if portions of the Facilities will be assigned to each of the Corporation and the County, the Trustee 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 (2) 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. 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.

Partition Report; Finality. The Trustee 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 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 2022 Real Property, without delay, in good repair and operating condition, excepting reasonable wear and tear.

* * *

ARTICLE III

USE AND DISBURSEMENT OF PROCEEDS

Section 3.1 Issuance of Series 2022 Bonds; Construction of 2022 Project. (a) Upon the issuance of the Series 2022 Bonds, the Trustee will deposit the proceeds of the Series 2022 Bonds into the Project Funds and the Cost of Issuance Funds, in the amounts specified in Section 5.1 of the Trust Agreement, to be used (i) to defray the cost of the 2022 Project, and (ii) to pay costs related to the issuance of the Series 2022 Bonds.

(b) The Corporation and the County acknowledge that the County, as agent for the Corporation, will be responsible for obtaining any and all contracts and agreements necessary or appropriate to construct, reconstruct, acquire, install, renovate, and equip the 2022 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 2022 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 2022 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 Funds and the Cost of Issuance Funds. (a) The Bond Proceeds (net of any costs of issuance) shall be deposited by the Trustee into the Project Funds (and the accounts therein described in Section 5.2 of the Trust Agreement). As provided in Section 5.1 of the Trust Agreement, disbursements from the Cost of Issuance Funds (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 2022 Bonds, and disbursements from the Project Funds shall be made to defray the costs of the 2022 Project and to fund certain reserve funds as set forth in Section 5.3 of the Trust Agreement.

(b) As provided in Section 5.3(b) of the Trust Agreement, the final requisition(s) from the Project Funds shall contain, among other things, a certification or certifications by the Corporation and the County stating that the 2022 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 2022 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 2022 Project, the Trustee shall apply any balance then remaining in the Project Funds 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 and are 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.

(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, and the payment of the Initial Installment Payment, 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 and the Initial Installment Payment, the County shall be entitled to the use and occupancy of all of the 2022 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; and

(v) Amounts required to pay premiums on insurance for the 2022 Real Property or the Facilities if such amounts are not paid directly by the County to the applicable insurer.

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 2022 Real Property and the Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2022 Real Property and the Facilities, (iii) to obtain and maintain insurance for the 2022 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 2022 Bonds to the extent such amounts will be used to make payments on the Series 2022 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 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.

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 2022 Real Property and the Facilities and the use of the 2022 Real Property and the Facilities which do not constitute Base Payments, or other obligations relating to the 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Real Property or the Facilities, failure of the Corporation to complete the acquisition, construction, installation, or equipping of the 2022 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 2022 Real Property or the Facilities, any acts or circumstances which may impair or preclude the use or possession of the 2022 Real Property or the Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the 2022 Real Property or the Facilities or in the suitability of the 2022 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 2022 Real Property or the Facilities, the taking by eminent domain of title to or the use of all or any part of the 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds in full, the County shall not sell, transfer, lease, sublease, or otherwise dispose of all or any portion of the 2022 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.

(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 2022 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, the conversion of its use to another purpose other than use by the County as a school facility 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; and

(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 2022 Bonds.

Section 5.2 Liens on 2022 Real Property and the Facilities. The County shall not create, incur, or suffer to exist any lien, charge, or encumbrance on the 2022 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 2022A Bonds. (a) Neither the Corporation nor the County shall take any action (including but not limited to any use of the 2022 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 2022A 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 2022A 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 2022A 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 2022A Bonds which would cause the Series 2022A 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 2022A 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 2022A 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 2022A Bonds.

Section 5.4 Reports and Opinions; Inspections. (a) The County shall permit the Corporation and the Trustee to examine, visit and inspect, at any reasonable time, the 2022 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, and to supply such reports and information as the Trustee 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds and the Initial Installment Payment, 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 2022 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 covenants 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 2022 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.]

[The County agrees to provide the information set forth at Exhibit F in accordance with the deadlines set forth therein] Any failure by a party to perform in accordance with [the Disclosure Undertaking][this disclosure covenant] shall not constitute a default under this Purchase and Use Agreement or on the Series 2022 Bonds or under any other document relating to the Series 2022 Bonds[, and all rights and remedies shall be limited to those expressly stated in the Disclosure Undertaking].

* * *

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 2022 Real Property and the Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the 2022 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 the South Carolina Insurance Reserve Fund 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, 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, and the Trustee 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 and the Trustee 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.

* * *

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 2022 Real Property, the Facilities, or any portion thereof or the estate of the County or the Corporation in the 2022 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 2022 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 2022 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 2022 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 2022 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 or the Holders of the Series 2022 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 2022 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 2022 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 2022 Real Property, the Facilities, or such portion unusable by the County for its intended purposes, (c) all or substantially all of the 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds, the Series 2022 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 2022 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 2022 Real Property, the Facilities or any portion thereof and in the enforcement of all warranties relating to the 2022 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 2022 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, in the reasonable judgment of the Trustee, 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 Trustee shall 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 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, 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 2022 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 ____1, 20____, 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 2022 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:

Anderson County, South Carolina
Attn: County Administrator
101 South Main Street
Anderson, SC 29624

If to the Corporation:

Anderson County Detention Facilities Corporation
Attn: President
101 South Main Street
Anderson, SC 29624
(with copy to the County as described above)

If to the Trustee:

Regions Bank
Attn: Corporate Trust Department
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the County, 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.

Section 10.4 Assignment. 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. 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 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;
- (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;
- (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;

(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.

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 2022 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 2022 Real Property in connection with a release or substitution (as applicable) of other 2022 Real Property, (iv) to release property from the description of the 2022 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 description of the 2022 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, 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 [Closing Date].

**ANDERSON COUNTY, SOUTH
CAROLINA**

(SEAL)

Witnesses

By: _____
[Name, Title]

Attest:

[Name, Title]

**ANDERSON COUNTY DETENTION
FACILITIES CORPORATION**

(SEAL)

Witnesses

By: _____
[Name, Title]

Attest:

[Name, Title]

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON) 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 Anderson County, South Carolina, by [Name], its [Title], its duly authorized officer, 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 _____ 2022.

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

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON) 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 Anderson County Detention Facilities Corporation, by [Name], its [President], its duly authorized officer, 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 _____ 2022.

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

EXHIBIT A

DESCRIPTION OF THE 2022 REAL PROPERTY

[Insert Description Prior to Execution]

EXHIBIT B

DESCRIPTION OF FACILITIES

The Facilities will consist of jail facilities with 750-cells and related improvements and infrastructure to be located on the 2022 Real Property. 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 2022 Bonds.

EXHIBIT C

PERMITTED ENCUMBRANCES

1. Base Lease Agreement from Anderson County, South Carolina to Anderson County Detention Facilities Corporation dated [____], 2022, and recorded on [____], 2022, in Anderson County Register of Deeds Office in Book [____], page [____].
2. Installment Purchase and Use Agreement between Anderson County Detention Facilities Corporation and Anderson County, South Carolina dated [____], 2022, and recorded on [____], 2022, in Anderson County Register of Deeds Office in Book [____], page [____].
3. UCC-1 Financing Statement with Addendum reflecting Anderson County Detention Facilities Corporation as debtor and Regions Bank as secured party recorded on [____], 2022, in Anderson 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 2022 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

<u>Facilities</u>	Expected Insured Values as of Date of Execution and <u>Delivery of Agreement</u>
-------------------	---

[Facilities Transfer Table on Following Page]

EXHIBIT F

**[FORM OF CONTINUING DISCLOSURE UNDERTAKING][FORM OF DISCLOSURE
COVENANT]**

DESCRIPTION OF THE 2022 REAL PROPERTY

2022 Real Property

1220001001

1220001001

1220001001

1220202003

1220202004

CARL ANDERSON WAY

CAMSON RD

JOHN CHIN BLVD

MARTIN LUTHER KING JR BLVD

The Authorized Officer is authorized and directed to obtain a current legal description or recorded plat of the 2022 Real Property and include the same as an exhibit to the Base Lease prior to the execution thereof.

TRUST AGREEMENT

between

ANDERSON COUNTY DETENTION FACILITIES CORPORATION

and

REGIONS BANK,
as Trustee

\$(PAR A)
ANDERSON COUNTY DETENTION FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(ANDERSON COUNTY JAIL PROJECT)
SERIES 2022A

\$(PAR B)
ANDERSON COUNTY DETENTION FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(ANDERSON COUNTY JAIL PROJECT)
TAXABLE SERIES 2022B

Dated as of [Closing Date]

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TRUST AGREEMENT

This TRUST AGREEMENT dated as of [Closing Date] (this “**Trust Agreement**”) is made by and between the ANDERSON COUNTY DETENTION FACILITIES CORPORATION (the “**Corporation**”), a South Carolina nonprofit corporation, and Regions Bank, an Alabama banking corporation, as trustee (the “**Trustee**”).

WITNESSETH

WHEREAS, Anderson County, South Carolina (the “**County**”) is simultaneously herewith entering into a Base Lease Agreement dated of even date herewith (the “**Base Lease**”) with the Corporation, pursuant to which the County is leasing to the Corporation the 2022 Real Property in consideration for the Corporation agreeing to undertake the 2022 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 of even date herewith (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 2022 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 (i) \$[PAR A] principal amount Installment Purchase Revenue Bonds (Anderson County Jail Project), Series 2022A (the “**Series 2022A Bonds**”) and (ii) \$[PAR B] principal amount Installment Purchase Revenue Bonds (Anderson County Jail Project), Taxable Series 2022B (the “**Series 2022B Bonds**” and together with the Series 2022A Bonds, the “**Series 2022 Bonds**”), pursuant to this Trust Agreement, in order to provide funds, together with other available amounts, (i) to defray the cost of the 2022 Project, and (ii) to pay costs related to the issuance of the Series 2022 Bonds;

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2022 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 2022 Bonds, are referred to herein as the “**Bonds**”) to be secured under the terms hereof on a parity with the Series 2022 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; 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 2022 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 2022 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 2022 Real Property or the Facilities or any agreement for the operation or management of the 2022 Real Property or the Facilities, and (ii) all leases of all or part of the Facilities or the 2022 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 2022 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 2022 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:

“2022A Cost of Issuance Fund” means the account of that name created pursuant to Section 5.2 hereof.

“2022B Cost of Issuance Fund” means the account of that name created pursuant to Section 5.2 hereof.

“2022 Project” has the meaning given such term in the Purchase and Use Agreement.

“2022A Project Fund” means the account of that name created pursuant to Section 5.2 hereof.

“2022A Project Fund” means the account of that name created pursuant to Section 5.2 hereof.

“2022 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 2022 Bonds and secured by the Trust Estate on a parity with the Series 2022 Bonds, if the Series 2022 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 2022 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 County 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 Chairman or the County Administrator 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 of even date herewith, 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 2022 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 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 principal 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.

“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 the Anderson County Detention 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 Anderson County, South Carolina.

“County Representative” means the Chairman of County Council or the County Administrator 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 of the County 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) 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.

“Interest Payment Date” means [April 1 and October 1 of each year, beginning October 1, 2023], 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 [October 1 of each year, beginning October 1, 2023], while there are any unpaid or Outstanding Bonds.

“**2022A Project Fund**” means the 2022A Project Fund established pursuant to Section 5.2 hereof.

“**2022B Project Fund**” means the 2022B Project Fund established pursuant to Section 5.2 hereof.

“**Purchase and Use Agreement**” means the Installment Purchase and Use Agreement

dated of even date herewith, 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 (i) with respect to the Series 2022 Bonds, \$0.00, and (ii), 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 2022 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, a division of S&P Global, Inc., 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 2022A Bonds” means the \$[PAR A] Installment Purchase Revenue Bonds (Anderson County Jail Project), Series 2022A, of the Corporation, dated the date of their delivery, and authorized by and secured under this Trust Agreement.

“Series 2022B Bonds” means the \$[PAR B] Installment Purchase Revenue Bonds (Anderson County Jail Project), Taxable Series 2022B, of the Corporation, dated the date of their delivery, and authorized by and secured under this Trust Agreement.

“Series 2022 Bonds” means any or all of the Series 2022A Bonds and the Series 2022B Bonds.

“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.

“Sole Holder” means _____, or its successor by merger, for so long as it shall remain the sole Holder of the Series 2022 Bonds.]

“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 2022A Bonds, and for any Additional Bonds, the tax certificate delivered in connection therewith.

“Trust Agreement” means this Trust Agreement dated as of [Closing Date] 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 Regions Bank, an Alabama banking corporation, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of this Trust Agreement.

“Underwriter” means [Name of Underwriter], 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.

* * *

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 2022 Real Property 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 2022 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 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 2022 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 2022 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.

* * *

ARTICLE III

AUTHORIZATION AND TERMS OF BONDS

Section 3.1 Principal Amount of Series 2022 Bonds; Designation of Series 2022 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 (i) an initial series of Bonds in the aggregate principal amount of \$[PAR A] to be designated “Anderson County Detention Facilities Corporation Installment Purchase Revenue Bonds (Anderson County Detention Facilities Project), Series 2022A” and (ii) an initial series of Bonds in the aggregate principal amount of \$[PAR B] to be designated “Anderson County Detention Facilities Corporation Installment Purchase Revenue Bonds (Anderson County Detention Facilities Project), Taxable Series 2022B.” Any Additional Bonds shall be designated “Anderson County Detention 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 2022 Bonds, the Corporation shall execute and the Trustee shall authenticate and deliver the Series 2022 Bonds to, or to the order of, the [Sole Holder][Underwriter].

(c) Before the Trustee authenticates and delivers any of the Series 2022 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 2022 Bonds to, or on the order of, the [Sole Holder][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 2022 Bonds:

- (1) This Trust Agreement;
- (2) The Base Lease;
- (3) The Purchase and Use Agreement; and
- (4) The Tax Certificate relating to the Series 2022A 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 2022 Bonds are authorized for the principal purposes of:

- (1) to defray the cost of the 2022 Project;
- (2) to pay costs related to the issuance of the Series 2022 Bonds.

Section 3.3 Maturity Schedules; Dates; Interest Rates. [If Direct Placement][The Series 2022A Bond shall be dated [Closing Date], shall mature on [October 1, 2042], and shall bear interest on each Bond Payment Date at a rate of ___% per annum calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of the Series 2022A Bonds shall be paid on October 1 of each year commencing October 1, 2023, payable in installments as shown on [Exhibit D] hereto.] [The Series 2022B Bond shall be dated [Closing Date], shall mature on [October 1, 2042], and shall bear interest on each Bond Payment Date at a rate of ___% per annum calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of the Series 2022B Bonds shall be paid on October 1 of each year commencing October 1, 2023, payable in installments as shown on [Exhibit D] hereto.]

[If Public Market][Series 2022A Bonds shall be dated [Closing Date], and shall mature on [October 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:]

[MATURITY SCHEDULE]

Due October 1	Principal Amount	Interest Rate	Yield	Price	CUSIP]
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[Series 2022B Bonds shall be dated [Closing Date], and shall mature on [October 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:]

[MATURITY SCHEDULE

Due October 1	Principal Amount	Interest Rate	Yield	Price	CUSIP]
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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 2022 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 2022 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; and (iv) a Favorable Opinion of Bond Counsel. 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 2022 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 2022 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 2022A Bonds shall be issued as a single instrument in registered form in the aggregate principal amount of \$[PAR A].][The Series 2022A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof.] The Series 2022A Bonds shall be numbered by the Trustee consecutively from 1 upward, preceded by the letter “R”. [The Series 2022B Bonds shall be issued as a single instrument in registered form in the aggregate principal amount of \$[PAR B].][The Series 2022B Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof.] The Series 2022B 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 2022 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 2022 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 2022 Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2022 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 2022 Bonds for the purposes of (i) paying the principal of, premium, if any, or interest on the Series 2022 Bonds, (ii) selecting the Series 2022 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 2022 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 2022 Bonds or any other person claiming a beneficial ownership interest in the Series 2022 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 2022 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 2022 Bonds of any amount in respect of the principal of, premium, if any, or interest on the Series 2022 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 2022 Bonds or (v) any other action taken by the Securities

Depository as Holder of the Series 2022 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 2022 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 2022 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 2022 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 2022 Bonds. In such event, the Corporation shall execute and the Trustee shall authenticate, register and deliver physical Series 2022 Bonds as requested by the Securities Depository or any Participant or beneficial owner of Series 2022 Bonds in appropriate authorized denominations in exchange for the Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 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 2022A Bonds, to the extent the Series 2022A 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 2022A 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 2022A 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 as to the Series 2022A Bonds:

(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 2022 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 2022 Real Property, including any improvements and additions thereto, equivalent to at least 95% of the fair rental value of the Facilities and the 2022 Real Property for the term of the Series 2022A Bonds, including any other obligations issued by the Corporation either to make improvements to the Facilities and the 2022 Real Property or to refund a prior issue of the Corporation's obligations related to the Facilities and the 2022 Real Property.

(d) The County will obtain fully unencumbered fee simple title, subject to Permitted Encumbrances, to the Facilities and the 2022 Real Property no later than such time as the Series 2022A 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 2022 Bonds will be discharged when (i) cash is available at the place of payment on the date that the Series 2022 Bonds are due (whether at maturity or upon prior call for redemption) and (ii) interest ceases to accrue on the Series 2022A Bonds. Upon discharge of the Series 2022A Bonds, the Corporation will convey to the County such fee simple title and exclusive possession and use of the Facilities and the 2022 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 2022 Real Property shall terminate upon discharge of the Series 2022A 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 2022 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 2022 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A 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 2022A Bonds (taking into account estimated investment proceeds) was based on reasonable estimates of the cost of the Facilities at the time the Series 2022A 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 2022A Bonds) received at any time as a result of the sale of the Series 2022A Bonds and "investment proceeds" are amounts (net of administrative costs) that result from the investment of any proceeds of the Series 2022A 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 September 20, 2022, which date is within one year prior to the issue date of the Series 2022A Bonds, approving the purposes and activities of the Corporation, the issuance of the Series 2022A Bonds by the Corporation for the purposes of financing the 2022 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 2022A 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 2022A Bonds, including any improvements, will be used to rebuild the Facilities, or, at the election of the County to redeem Series 2022 Bonds, 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 2022A Bonds, or (ii) the Corporation or the Trustee is directed by the owners of a majority of the beneficial ownership interests of the Series 2022A 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 2022 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 2022 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 2022 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 2022 Bonds maturing after ____1, 20__, may be redeemed in whole or in part at any time on and after ____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 2022 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 2022 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 2022 Bonds are to be redeemed, the particular Series 2022 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 2022 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 2022 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 2022 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 Series 2022 Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Series 2022 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 2022 Bonds.* If less than all of the Series 2022 Bonds are called for redemption, the Series 2022 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 2022 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 2022 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2022 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2022 Bond is Cede & Co., such selection shall be made by DTC.

(d) *Mandatory Sinking Fund Redemption.* The Series 2022 Bonds maturing on 1, 20____ (the “**20____ Term Bonds**”), shall be subject to mandatory sinking fund redemption commencing _____ 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 June 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 2022 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.

* * *

ARTICLE V

PROVISIONS AS TO FUNDS AND PAYMENTS

Section 5.1 Deposit of Money. In order to assure that the costs of the 2022 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 Initial Installment Payment and the proceeds received from the sale of the Series 2022 Bonds as described in this Section 5.1.

The proceeds of the Series 2022A Bonds in the amount of \$_____ shall be deposited by the Trustee and applied as follows:

- (1) \$_____ shall be deposited into the 2022A Project Fund to defray a portion of the costs of the 2022 Project as set forth in Section 5.3(b) hereof; and
- (2) \$_____ shall be deposited into the 2022A Cost of Issuance Fund to be applied as set forth in Section 5.3(c) hereof.

The proceeds of the Series 2022B Bonds in the amount of \$_____ shall be deposited by the Trustee and applied as follows:

- (1) \$_____ shall be deposited into the 2022B Project Fund to defray a portion of the costs of the 2022 Project as set forth in Section 5.3(b) hereof; and
- (2) \$_____ shall be deposited into the 2022B Cost of Issuance Fund to be applied as set forth in Section 5.3(c) hereof.

Section 5.2 Creation of Project Funds and Cost of Issuance Funds. There are hereby created as separate accounts in the custody of the Trustee trust funds designated as the “**2022A Project Fund**,” the “**2022B Project Fund**,” the “**2022A Cost of Issuance Fund**” and the “**2022B Cost of Issuance Fund**.” The 2022A Project Fund and the 2022B Project Fund are together referred to herein as the “**Project Funds**.” The 2022A Cost of Issuance Fund and the 2022B Cost of Issuance Fund are together referred to herein as the “**Cost of Issuance Funds**.” Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the Series 2022 Bonds deposited in the Project Funds and the Cost of Issuance Funds 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 2022 Bonds. As directed by the County and the Corporation in writing, each Cost of Issuance Fund may be established as a subaccount of each Project Fund.

Section 5.3 Disbursements. (a) Moneys in (i) the Project Funds shall be disbursed to defray costs of the 2022 Project, and (ii) the Cost of Issuance Funds shall be disbursed for the payment of issuance costs of the Series 2022 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 Funds and the Cost of Issuance Funds and all investments and disbursements of moneys in the Project Funds and the Cost of Issuance Funds.

(b) All disbursements from the Project Funds 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 2022 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 2022 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 Funds 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 2022 Bonds. Upon written direction of the County, any amounts remaining in the Cost of Issuance Funds, after payment of all costs of issuance of the Series 2022 Bonds, shall be transferred to the Acquisition Account of the Bond Fund.

Section 5.4 Completion of the 2022 Project. (a) As soon as is practicable after the completion of the 2022 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 Funds attributable to the 2022 Project to the Acquisition Account of the Bond Fund and the Project Funds shall be closed.

Section 5.5 Creation of Bond Fund; Acquisition and Reserve Accounts. (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 for each of the Series 2022A Bonds and Series 2022B Bonds 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 2022 Bonds, the 2022A Acquisition Sub-Account and 2022B Acquisition Sub-Account shall be created in the Acquisition Account of the Bond Fund and the 2022 Reserve Sub-Account shall be created in the Reserve Account of the Bond Fund, each for the benefit of the Series 2022 Bonds. Notwithstanding anything in this Trust Agreement to the contrary, upon (1) any partial refunding of the Series 2022 Bonds, or (2) upon the [October 1, 2042] payment of the Series 2022 Bonds, the Trustee shall recalculate the 2022 Reserve Requirement taking into account such events. If, at the time of such refunding, there shall exist any amounts in the 2022 Reserve Sub-Account in excess of the 2022 Reserve Requirement, such excess amounts shall be disbursed upon written direction of a Corporation Representative, subject to the provisions of Section 5.5(f)(iii) hereof.

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 2022 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 2022 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 Funds, Cost of Issuance Funds, 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 Funds 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 Funds shall be retained therein and applied as other moneys in the Project Funds, as applicable.

(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 gross 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 grossly negligent action, its own grossly 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 grossly 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 adequate 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 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) Except as may be required of it in its capacity as assignee of the Corporation under the Purchase and Use Agreement or as specifically provided for elsewhere herein, 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 2022 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 2022 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 2022 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 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.

(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 2022 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 shall require that an indemnity bond 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 gross 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 gross 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 gross 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 shall require that a satisfactory indemnity bond 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, 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 2022 Real Property, (ii) for the discharge of mechanic's and other liens relating to the Facilities or the 2022 Real Property, (iii) to obtain and maintain insurance for the Facilities and the 2022 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 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; and

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.

(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 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 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 2022 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) 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, 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 12.3 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 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 (iii) if required by Section 8.4 hereof, the County.

* * *

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, 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, 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 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 2022 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, for so long as the 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

MISCELLANEOUS

Section 12.1 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 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 as provided herein.

Section 12.2 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 12.3 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, and the Trustee shall be addressed as follows:

If to the County:

Anderson County, South Carolina
Attn: County Administrator
101 South Main Street
Anderson, SC 29624

If to the Corporation:

Anderson County Detention Facilities Corporation
Attn: President
101 South Main Street
Anderson, SC 29624
(with copy to the County as described above)

If to the Trustee:

Regions Bank
Attention: Corporate Trust Department
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the Trustee, 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, 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.

Section 12.4 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 12.5 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 12.6 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 12.7 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 12.8 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 12.9 Continuing Disclosure. The County has covenanted in the Purchase and Use Agreement to provide information under [certain disclosure covenants][Rule 15c2-12 (as defined in the Purchase and Use Agreement)].

Section 12.10 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 12.11 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 12.12 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 12.13 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].

**ANDERSON COUNTY DETENTION
FACILITIES CORPORATION**

(SEAL)

Attest:

By: _____
[Name], President

By: _____
[Name], Secretary

REGIONS BANK

By: _____
[Name, Title]

EXHIBIT A**[FORM OF SERIES 2022 BONDS]**Registered
No. R-1

\$_____

ANDERSON COUNTY DETENTION FACILITIES CORPORATION
 INSTALLMENT PURCHASE REVENUE BONDS
 (ANDERSON COUNTY DETENTION FACILITIES PROJECT)
 [SERIES 2022A][TAXABLE SERIES 2022B]

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	[June] 1, _____	_____, 2022	_____

Holder:

Principal Amount: _____ DOLLARS

Anderson County Detention 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 [June] 1 or [December] 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 [June] 1 and [December] 1 (each a “**Bond Payment Date**”) of each year commencing [December 1, 2022], 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 Regions Bank, 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 Atlanta, Georgia. 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 A][PAR B] and designated as “Anderson County Detention Facilities Corporation, Installment Purchase Revenue Bonds (Anderson County Detention Facilities Project), [Taxable] Series 2022[A/B] (the “**Bonds**”), issued under a Trust Agreement, dated as of [Closing Date] (the “**Trust Agreement**”), between the Corporation and the Trustee, to provide funds (i) to defray the cost of the 2022 Project (as defined in the Trust Agreement), (ii) to fund the 2022 Reserve Sub-Account, with cash or a Reserve Surety, in the amount of the 2022 Reserve Requirement, and (iii) to pay costs related to the issuance of the Series 2022 Bonds including any premium due on an 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 [Enactment Date], 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 [Closing Date] (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 [Closing Date] (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 Atlanta, Georgia, 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 June 1, 2031, will be redeemed in whole on any date or in part on any date, on or after June 1, 2031, 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 2022 Bonds maturing on [June] 1, 20__ (the “**20__ Term Bonds**”), shall be subject to mandatory sinking fund redemption commencing [June] 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 June 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, County, 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.

**ANDERSON COUNTY DETENTION
FACILITIES CORPORATION**

(SEAL)

Attest:

By: _____
[Name], President

By: _____
[Name], 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: _____, 2022

REGIONS BANK, as Trustee

By: _____
[Name, Title]

[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:

EXHIBIT B

[FORM OF REQUISITION]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. _____

Regions Bank

[Address]

Attention: Corporate Trust Department

Re: \$[PAR A][PAR B] Anderson County Detention Facilities Corporation Installment
Purchase Revenue Bonds (Anderson County Detention Facilities Project),
[Taxable] Series 2022[A/B]

Gentlemen:

As Trustee under the Trust Agreement dated [Closing Date] (the “**Trust Agreement**”), between you and Anderson County Detention 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 [2022A/2022B] 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:

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2022 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.

B. All representations and warranties of Anderson 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.

C. 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__.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____
County Representative

ANDERSON COUNTY DETENTION
FACILITIES CORPORATION

By: _____
Corporation Representative

EXHIBIT C

[FORM OF FINAL REQUISITION]

DIRECTION TO MAKE FINAL DISBURSEMENT

Requisition No. _____

Regions Bank
[Address]

Attention: Corporate Trust Department

Re: \$[PAR A][PAR B] Anderson County Detention Facilities Corporation Installment
Purchase Revenue Bonds (Anderson County Detention Facilities Project),
[Taxable] Series 2022[A/B]

Gentlemen:

As Trustee under the Trust Agreement dated [Closing Date] (the “*Trust Agreement*”), between you and Anderson County Detention 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 [2022A/2022B] 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:

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2022 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.

B. All representations and warranties of Anderson 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.

C. 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.

D. The 2022 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 2022 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 2022 Project has been substantially completed in accordance with the terms and conditions of the Purchase and Use Agreement, and that the 2022 Project as completed complies in all material respects with all applicable governmental regulations.

Dated this ____ day of _____, 20__.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____
County Representative

ANDERSON COUNTY DETENTION
FACILITIES CORPORATION

By: _____
Corporation Representative