
PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

among

**GREENVILLE TECHNICAL COLLEGE
PUBLIC FACILITIES CORPORATION
as Seller**

**and
GREENVILLE COUNTY, SOUTH CAROLINA
as Buyer**

and

**GREENVILLE TECHNICAL COMMISSION
FOR TECHNICAL EDUCATION**

DATED AS OF _____ 1, 2013

All right, title and interest of Greenville Technical College Public Facilities Corporation in the revenues derived under this Public Facilities Purchase and Occupancy Agreement (except for certain reserved rights) have been assigned to The Bank of New York Mellon Trust Company, N.A., as Trustee, under a Trust Agreement dated as of _____ 1, 2013, between Greenville Technical College Public Facilities Corporation and the Trustee.

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PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

This PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT dated as of _____ 1, 2013 (the "**Facilities Agreement**") is made and entered into by and among GREENVILLE TECHNICAL COLLEGE PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the "**Corporation**"), a non-profit corporation formed under the laws of the State of South Carolina, as Seller, and GREENVILLE COUNTY, SOUTH CAROLINA (the "**County**"), a body politic and corporation and a political subdivision of the State of South Carolina, as Buyer and GREENVILLE COUNTY COMMISSION FOR TECHNICAL EDUCATION (the "**Commission**"), an agency of the County.

WITNESSETH:

WHEREAS, the Corporation is a non-profit corporation formed under the provisions of Sections 33-31-10 through 33-31-180, inclusive, of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the County is a duly organized and existing County and political subdivision duly formed under the laws of the State of South Carolina and is authorized under the provisions of Sections 4-9-30 and 11-27-110, of the Code of Laws of South Carolina, 1976, as amended (the "**Act**"), to enter into this Facilities Agreement; and

WHEREAS, the County presently owns certain real property and will hereafter acquire additional real property (collectively, the "**Project Facilities Real Property**"), (i) upon certain parcels of which are presently located improvements used by the County (the "**Existing Facilities**") and which are to be renovated or expanded by the Corporation as part of the Capital Projects (as hereinafter defined) and used by the County pursuant to the terms hereof as more specifically defined herein; and (ii) upon certain parcels of which improvements will be constructed by the Corporation (the "**New Facilities**") as part of the Capital Projects and used by the County pursuant to the terms hereof; and

WHEREAS, the Corporation has agreed to enter into a Base Lease and Conveyance Agreement, dated as of _____ 1, 2013 (the "**Base Lease**") pursuant to which the County is conveying the Existing Facilities to the Corporation and is leasing the Project Facilities Real Property to the Corporation so that the Corporation may provide for the acquisition, construction, renovation and expansion thereon of the Capital Projects (as hereinafter defined); and

WHEREAS, in order to provide funds for the payment of the costs of the Capital Projects, the Corporation intends to issue \$_____ Greenville Technical College Public Facilities Corporation Installment Purchase Revenue Bonds (Greenville County, South Carolina Project) Series 2013, to be dated the date of their delivery (the "**Bonds**") under and by the terms of a Trust Agreement dated as of _____ 1, 2013 (the "**Trust Agreement**") by and between the Corporation and The Bank of New York Trust Company, N.A., as trustee (the "**Trustee**"); and

WHEREAS, the County has agreed to make certain payments (the "**Acquisition Payments**") for its acquisition of the Existing Facilities and the New Facilities (collectively, the "**Project Facilities**") on an installment basis and, in accordance with the terms hereof, shall be entitled to the use and occupancy of the Project Facilities Real Property and the Project Facilities, and certain other matters; and

WHEREAS, the right to receive Acquisition Payments is being assigned to the Trustee under the Trust Agreement as security and the source of payment for the Series 2013 Bonds;

NOW, THEREFORE, in consideration of the undertaking of the Corporation to acquire, construct, renovate and expand the Capital Projects, the undertaking of the County to pay the Acquisition 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 Base Lease or the Trust Agreement or as set forth below:

“Acquisition Payments” means the payments to be paid by the County pursuant to Sections 4.1 and 4.2 hereof including Base Payments and Additional Payments, subject to an Event of Nonappropriation as provided in Section 4.7 hereof.

“Acquisition Price” shall mean the sum of all Base Payments to be made hereunder on a semi-annual basis, beginning _____ 1, ____ and ending on _____ 1, ____, in order for the County to acquire the Project Facilities; subject, however, at all times to Sections 2.2 and 2.3 hereof, which Acquisition Price may be recalculated in the event of any prepayment of Base Payments provided for in Section 9.1 hereof or pursuant to the provisions of a Supplemental Facilities Agreement.

“Additional Capital Projects” means any projects to be acquired, constructed, renovated or expanded by the Corporation with proceeds of Additional Bonds.

“Additional Existing Facilities” means public facilities to be conveyed by the County to the Corporation pursuant to the Base Lease as supplemented by a Supplemental Base Lease, to be expanded, renovated or improved by the Corporation with proceeds of Additional Bonds and sold to the County pursuant to this Facilities Agreement as supplemented by a Supplemental Facilities Agreement.

“Additional New Facilities” means public facilities to be constructed by the Corporation with proceeds of Additional Bonds and sold to the County pursuant to this Facilities Agreement as supplemented by a Supplemental Facilities Agreement.

“Additional Payments” means that portion of the Acquisition Payments specified in Sections 4.1 and 4.2 hereof as Additional Payments.

“Additional Project Facilities” means any Additional Existing Facilities, as improved by Additional Capital Projects, and Additional New Facilities proposed to be acquired, constructed, expanded or renovated by the Corporation with proceeds of Additional Bonds and made subject to this Facilities Agreement through the provisions of a Supplemental Facilities Agreement.

“Additional Project Facilities Real Property” means any real property that is or will become the site of Additional Project Facilities. The Additional Project Facilities Real Property shall be made subject to the Base Lease pursuant to a Supplemental Base Lease and shall be made subject to this Facilities Agreement through the provisions of a Supplemental Facilities Agreement.

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

“Bond Counsel” means a firm of nationally recognized bond counsel experienced in matters of tax-exempt finance that shall be acceptable to the Trustee.

“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 2013 Bonds.

“Capital Projects” means the projects designated as such by the Corporation and the County to be acquired, constructed, renovated or expanded on the Project Facilities Real Property, and includes the assets and improvements, the cost of acquisition, construction, renovation or expansion for which is or has been paid from amounts disbursed from the Project Fund, all as shown on Exhibit C hereto, as amended from time to time.

“Certificate of Acceptance” means the Direction to Make Final Disbursement and Certificate of Acceptance filed with the Trustee in accordance with Section 3.4 hereof.

“Completion Date” means the date on which the County provides a Certificate of Acceptance.

“Corporation Facilities” means that portion of the Project 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 Greenville County, South Carolina, the governing body of the County, and any successor body.

“Division Date” has the meaning provided therefor in Section 2.4 hereof.

“Environmental Laws” means all federal, state and local laws, rules, regulations, ordinances, programs, permits, guidances, 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 superlien 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 Facilities Agreement.

“Event of Nonappropriation” means a termination of this Facilities Agreement by the County caused by the County’s failure, for any reason, to specifically budget and appropriate moneys to pay all Acquisition Payments due under this Facilities Agreement. The existence or nonexistence of an Event of Nonappropriation shall be determined as of July 1 of each year, being the date by which the County Council is required by the South Carolina Constitution to enact an ordinance setting forth its operating budget for the Fiscal Year beginning on such July 1, or on any earlier date on which the County gives written notice to the Corporation and the Trustee that the County will not appropriate funds in the next succeeding Fiscal Year for payment of Acquisition Payments; but the Trustee may waive any Event of Nonappropriation as provided for in Section 4.7 herein.

“Existing Facilities” means that portion of the Project Facilities located as of the date hereof on the Project Facilities Real Property and to be renovated, expanded or improved as part of the Capital Projects.

“Facilities Component” means an entire facility, or a portion of a facility or a portion of the Project Facilities that can be operated separately from the remainder of such facility, including any related auxiliary buildings and other structures, together with the Project Facilities Real Property, or portion thereof, on which such building is located.

“Fiscal Year” means the fiscal year of the County, 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; 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 or 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.

“Net Proceeds” when used with respect to any proceeds from policies of insurance required hereby or any condemnation award, or proceeds from damages, refunds, adjustments or otherwise in connection with claims against any suppliers, vendors, contractors or subcontractors and/or materialmen or similar persons, including payments from sureties or on performance bonds with respect thereto, or from any liquidation of any part of the Project 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.

“New Facilities” means improvements to be constructed as part of the Capital Projects on the Project Facilities Real Property.

“Owner” means the registered owner of any Bond as shown in the Register.

“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 Facilities Agreement; (ii) the Security Documents; (iii) utility, access and other easements and rights-of-way, restrictions and exceptions which an officer of the County certifies will not interfere with or impair the use of the Project Facilities by the Corporation or the County as contemplated hereby, including rights or privileges in the nature of easements; (iv) any financing statements filed to perfect security interests pursuant to this Facilities Agreement or the Trust Agreement; and (v) the matters described on **Exhibit B** hereto.

“Project Facilities” means the Existing Facilities, as improved by the Capital Projects, the New Facilities, and any future additions, modifications and substitutions to any of such assets and any related personal property such as furniture, desks, tables, chairs, books, office supplies and equipment, maps, audio-visual equipment or other items of personalty, but only to the extent such items have been acquired from amounts disbursed from the Project Fund.

“Project Facilities Contracts” means those contracts entered into by or on behalf of the Corporation in connection with the Capital Projects.

“Project Facilities Real Property” means that certain real property leased by the County from the Commission as of the date hereof, as described on *Exhibit A* hereto, as amended from time to time pursuant to the provisions of Section 3.6 of the Base Lease, together with real property acquired or made available by the County after the date of this Facilities Agreement and made subject hereto.

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

“Public Facilities” means that portion of the Project Facilities allocated to the County as the result of a partition under the provisions of Section 2.4 hereof.

“Purchase Option Price” means an amount equal to the amount required to defease or otherwise discharge the Bonds 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.

“Security Documents” means this Facilities Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Owners of the Bonds.

“Supplemental Facilities Agreement” means a supplement to this Facilities Agreement as provided in Section 10.7 hereof.

“State” means the State of South Carolina.

“Waiver Period” means the period of time commencing on the date notice is received by the County pursuant to Section 4.7(b) hereof of the occurrence of an Event of Nonappropriation and ending on and including the date that is the later of (i) the July 31 following the commencement of a Fiscal Year affected by an Event of Nonappropriation or (ii) the date on which the Reserve Account becomes fully depleted by the Trustee pursuant to the provisions of Section 5.5 of the Trust Agreement.

SECTION 1.2. Terms Defined in the Trust Agreement; Rights of the Trustee. 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. The parties hereto acknowledge that the rights of the Corporation hereunder have been assigned to the Trustee to the extent and in the manner provided in the Trust Agreement. Accordingly, wherever in this Facilities Agreement reference is made to the Corporation for enforcement of any right or remedy, the parties agree that the Trustee may enforce such right or remedy regardless of whether so stated. The parties acknowledge that the Trustee is a third-party beneficiary of the obligations of the County hereunder and may act directly, in its own name, in enforcing such obligations.

SECTION 1.3. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words 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.

SECTION 1.4. County Representations, Warranties and Covenants. The County makes the following representations, warranties and covenants:

(a) The County is a County and political subdivision of the State and has full power and legal right to enter into this Facilities Agreement and the Base Lease and to perform its obligations hereunder

and thereunder. The County's actions in making and performing this Facilities Agreement and the Base Lease have been duly authorized by all necessary governmental action and do not 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 assure that the Capital Projects are completed, furnished and occupied by the County. In the event the amounts available from the proceeds from the Series 2013 Bonds appear to be insufficient for such purpose, the County, in its sole discretion, shall take one or more of the following steps: (i) cooperate with the Corporation to make such modifications or changes in the Capital Projects as will allow the cost thereof to be funded within the amount available from such Bond Proceeds or to amend the list of Capital Projects to complete as many Capital Projects as possible, (ii) make arrangements with the Corporation for the sale of Additional Bonds, or (iii) provide for the payment of such costs from other sources available to the County.

(d) The County will take such action as is necessary to ensure that the Bond Proceeds, other than amounts set aside in the Trust Agreement for payment of costs of issuance, funding of reserves or payment of interest, are applied solely for the payment of the costs of acquiring the Capital Projects.

(e) No portion of the Project 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.

(f) The amounts, if any, spent by the County from its own funds to pay costs of the acquisition, construction, renovation and expansion of the Capital Projects were not expended more than 60 days prior to _____, 2013, which is the date of the enactment by the County Council of an initial ordinance authorizing the financing of the Project Facilities and expressing the intent to enter into this Facilities Agreement, except with respect to certain preliminary expenditures for architectural, engineering, surveying, soil testing and similar costs. No site preparation or similar costs incident to the commencement of construction were incurred prior to _____, 2013.

(g) There is no fact that is not disclosed in the Official Statement for the Series 2013 Bonds 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 Facilities Agreement or the Base Lease.

(h) There are no proceedings pending or, to the knowledge of the County, threatened against or affecting the County, except as disclosed in the Official Statement for the Series 2013 Bonds, 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 Facilities Agreement or the Base Lease.

(i) The execution and delivery of this Facilities Agreement, the Ground Lease and the Base Lease (collectively, the "**County Agreements**"), and the consummation of the transactions provided for herein and therein, and compliance by the County with the provisions of the County Agreements:

(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;

(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, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the County pursuant to, any indenture, loan agreement or other agreement or instrument (other than this Facilities Agreement) 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 the County Agreements or the County's ability to perform fully its obligations under the County Agreements; 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.

(j) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Facilities Agreement, and/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 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.

(k) This Facilities Agreement is a legal, valid and binding obligation and agreement 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 Facilities Agreement is subject in its entirety to the right of the County to terminate this Facilities Agreement and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Acquisition Payments, as provided in Sections 2.2, 4.6 and 4.7 hereof.

(l) The operation of the Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project Facilities including, without limitation, Environmental Laws. The County has caused or will cause the Project Facilities Real Property and the Project Facilities to be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety and environmental quality. The County will operate or will cause the Project Facilities Real Property and the Project 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, and to use its reasonable efforts to cause other persons who are obliged to 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 Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project 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 does not subject the Project 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 Project Facilities Real Property and the Project Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project Facilities.

(m) The County has approved the Corporation and the issuance by the Corporation of the Series 2013 Bonds.

(n) The County has not as of the date hereof terminated any lease, lease-purchase agreement or installment purchase agreement to which it has been party by nonappropriation.

SECTION 1.5. Corporation Representations, Warranties and Covenants. The Corporation makes the following representations, warranties and covenants:

(a) The Corporation is a duly organized and existing non-profit corporation created under the laws of South Carolina, has the requisite power to carry on its present and proposed activities, and has full power, right and authority to enter into this Facilities Agreement, the Trust Agreement and the Base Lease and to perform each and all of the obligations of the Corporation provided 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 Facilities Agreement, the Base Lease, the Trust Agreement and each of the Project Facilities Contracts to which it is or will be a party.

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

(d) The execution and delivery by the Corporation of this Facilities 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 Facilities Agreement, the Base Lease, the Trust Agreement and each Project Facilities Contract to which the Corporation is or will be a party has been or will be duly executed and delivered by the Corporation and constitutes or will constitute a legal and valid obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in writing by the Corporation, there is no litigation pending or threatened against the Corporation that challenges the Corporation's authority to execute, deliver or perform this Facilities 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 Facilities 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) In order to finance the Capital Projects, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2013 Bonds payable from and secured by the Acquisition Payments under this Facilities Agreement.

ARTICLE II ACQUISITION AND USE OF PROJECT FACILITIES

SECTION 2.1. *Acquisition and Use of Project Facilities; Term.* The Corporation hereby agrees to sell the Project Facilities on an installment basis to the County in accordance with the provisions hereof. As of the date hereof, title to the Project Facilities is, or will be upon the acquisition or construction thereof, in the Corporation. Upon each payment of Base Payments from funds other than (i) amounts constituting Bond Proceeds (including any amounts deposited from the sale of Series 2013 Bonds as provided in Section 5.1 of the Trust Agreement and income from the investment of such amounts) or (ii) payments made from the Reserve Account, title to an undivided interest in Project Facilities equal to that percentage of the Acquisition Price represented by such payment will transfer from the Corporation to the County without further action by either party hereto.

In conjunction therewith, the Corporation hereby conveys and grants to the County an undivided interest in the Project Facilities which undivided interest shall increase pro rata based on the percentage of the Acquisition Price represented by each Base Payment. At the request of the County, the Corporation agrees to execute such quitclaim or special warranty deed(s) to the County indicating the undivided interest so acquired by the County.

Any prepayment of Base Payments will result in a recalculation of the Acquisition Price to take account of such prepayment and, upon the making of such prepayment, the County shall be credited with an undivided interest in the Project Facilities equal to that percentage of the total Acquisition Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date.

Subject to the provisions of Section 4.7 and Article VIII hereof, the County shall have the exclusive right to occupy and use the Project Facilities Real Property and the Project Facilities until this Facilities Agreement is terminated.

The County may permit other civic or charitable organizations or agencies of the State or any political subdivision thereof to use portions of the Project Facilities Real Property and the Project Facilities subject to the following limitations: (i) no agreement may be for a term in excess of one year; (ii) the Project Facilities or Project Facilities Real Property 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; (iii) any such agreement shall expressly terminate upon the occurrence of an Event of Default or an

Event of Nonappropriation hereunder; and (iv) except in the case of single event uses, the County shall have received an opinion from Bond Counsel stating that the proposed use will not adversely affect the Federal income tax treatment of interest on the Bonds. The County shall monitor all such use to ensure continued compliance with the provisions of the Tax Regulatory Agreement and Section 5.4 hereof.

SECTION 2.2. Termination. This Facilities Agreement shall terminate upon the earliest of any of the following events:

(a) The earlier of (i) the last day of the Fiscal Year during which there occurs an Event of Nonappropriation as provided in Section 4.7(a) hereof, or (ii) the July 31 following any July 1 on which the County shall fail specifically to budget and appropriate moneys sufficient to pay the Acquisition Payments due hereunder during the Fiscal Year beginning on such July 1 pursuant to Article IV hereof (which Event of Nonappropriation is not thereafter duly waived);

(b) The purchase by the County of the Project Facilities as provided in Article IX of this Facilities Agreement;

(c) The occurrence of an Event of Default under and termination of this Facilities Agreement by the Corporation or Trustee under Article VIII of this Facilities Agreement; or

(d) _____ 1, 20__, or such later date as all Acquisition Payments due hereunder shall be paid.

Termination of this Facilities Agreement shall terminate all obligations of the County under this Facilities Agreement, including its obligations to pay any future Acquisition Payments (except as specifically provided herein), and, subject to identification as provided in Section 2.4 hereof, shall terminate the County's rights of possession under this Facilities Agreement to the Corporation Facilities (except to the extent of any conveyance pursuant to Article IX of this Facilities Agreement); but all other provisions of this Facilities Agreement, including all obligations of the Corporation with respect to the Owners 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 this Facilities 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. Post-Termination Payments. In the event the County fails to deliver possession of the Corporation Facilities or any part thereof at the time required under Section 2.4 hereof, the County shall be liable for the payment of Acquisition Payments, including Additional Payments, for successive six month periods 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.

SECTION 2.4. Surrender of Possession Upon Termination; Partition of Undivided Interests. Upon the occurrence of an Event of Default or an Event of Nonappropriation which results in termination hereof, the respective interests of the County and the Corporation in the Project Facilities and Project Facilities Real Property shall be partitioned, so that the parties' respective undivided interests in the Project Facilities and Project Facilities Real Property will be divided, to the extent feasible, into separate interests comprising the Facilities Components in accordance with the following provisions. The date upon which the Trustee gives notice of the occurrence of any such event under the provisions of Section 4.7(b) hereof or Section 7.2 of the Trust Agreement shall be the "**Division Date.**"

Appointment of Consultant; Report. Not later than 10 days after the Division Date, the Trustee shall appoint an advisor (the “**Consultant**”) experienced in public finance and in the valuation of public facilities to propose a division of the respective interests in the Project Facilities and the Project Facilities Real Property. In preparing the proposed partition, the Consultant shall endeavor, as nearly as possible, to allocate Project Facilities so that entire Facilities Components are assigned to the County and the Corporation, respectively, and that the Project Facilities and Facilities Components assigned to the Corporation will be those which will protect the interests of the Owners.

Valuation of Facilities Components. Project Facilities shall be valued based upon the amounts disbursed as to each from the Project Fund. In allocating Project Facilities and the Project Facilities Real Property to the percentage of undivided interests in the entire Project Facilities to be conveyed to the County or retained by the Corporation, such values shall be used rather than the market or other valuation of Facilities Components associated therewith. However, in making the determinations of which particular Project Facilities are to be allocated to the Corporation to protect the interests of the Owners, the Consultant may take into account the market value of Facilities Components, any Permitted Encumbrances that may affect the uses that may be made of such property and the relative importance of such Facilities Components to the County, all to determine which Facilities Components will best protect the interests of the Owners.

Partial Divisions. In the event that the Consultant is unable to devise a partition that results in a division of the Project Facilities and Project Facilities Real Property solely into separate Facilities Components for the County and the Corporation, then the Consultant shall endeavor to identify Facilities Components with the least residual interest in the Corporation, such being designated as the “**Partial Public Facilities.**” With respect to Partial Public Facilities, the County may (i) continue to occupy the Facilities Component which encompasses a Partial Public Facility if it agrees to make payments in an amount to be determined by the Consultant as the proper charge for use of the Corporation’s interest in such Facilities Component; (ii) purchase the balance of the Corporation’s interest in such Facilities Component by the payment of the amount determined by the Consultant; or (iii) cede occupancy rights to the Corporation for the duration of the term of the Base Lease. In determining the purchase price, if the County elects to purchase the balance of the Corporation’s interest, the Consultant shall determine the prepayment amount that would be required under the second paragraph of Section 2.1 of this Facilities Agreement to result in the allocation of the Facilities Component to the County. In setting the payments to be made by the County if it chooses to continue to occupy the Facilities Component which includes a Partial Public Facility, the Consultant shall set a payment that is not less than the amount of total Base Payments allocable to such Facilities Component that would have been payable from and after the date of partition if this Facilities Agreement or the rights of the County hereunder had not been terminated.

Proposal; Finality. The Consultant shall be required to make its proposal not later than 45 days after the Division Date. The County and the Trustee shall have seven days from the receipt of the Consultant’s proposal to object to the partition recommended therein, and if there is no objection, the report shall be final. If there is any objection, the Consultant shall issue a final partition report not later than seven days after the last date on which objection could be made and such report shall be conclusively binding upon all parties.

Instruments of Conveyance. Not later than ten days after the Consultant’s report becomes final, the County and the Corporation shall exchange deeds, leases or other instruments conveying title to such of the Project 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 or cause to be delivered peaceable possession of the Corporation Facilities to the Corporation, together with the related

portions of the Project Facilities Real Property, without delay, upon demand made by the Trustee, in good repair and operating condition, excepting reasonable wear and tear; *provided, however*, that in the event of a partial division, the terms relating to Partial Public Facilities described above shall control and the Corporation shall deliver or cause to be delivered peaceable possession of the Public Facilities to the County, together with the related portions of the Project Facilities Real Property, without delay, upon demand made by the Trustee, in good repair and operating condition, excepting reasonable wear and tear; *provided, however*, that in the event of a partial division, the terms relating to Partial Public Facilities described above shall control. Any Facilities Component delivered to the Corporation in connection with such partition shall remain, at all times, subject to the terms of the Base Lease. The County and the Corporation shall take any other action necessary to effectuate the determination of the Consultant.

Partition of Additional Project Facilities and Additional Project Facilities Real Property. In the event that Additional Project Facilities and Additional Project Facilities Real Property have been made subject to this Facilities Agreement pursuant to the provisions of a Supplemental Facilities Agreement entered into between the date of the execution and delivery of this Facilities Agreement and the Division Date, such Additional Project Facilities and Additional Project Facilities Real Property shall be reviewed and divided separately from the Project Facilities and Project Facilities Real Property, and such Additional Project Facilities and Additional Project Facilities Real Property wholly or partially assigned to the Corporation upon a division thereof shall only protect the interests of the Owners of the Additional Bonds issued to finance the costs of the Additional Capital Projects provided for in the applicable Supplemental Facilities Agreement.

ARTICLE III THE PROJECT FACILITIES; FINANCING

SECTION 3.1. *Acquisition, Construction, Renovation and Expansion of the Project Facilities.* The Corporation and the County acknowledge that the County will be responsible for any and all contracts necessary or appropriate for the acquisition and installation, or for any renovation, construction, expansion, restoration, and reconstruction, to be performed in connection with the completion of the Capital Projects and the County shall be the agent of the Corporation for all such purposes. The County and the Corporation agree and acknowledge that all contracts relating to the Project Facilities shall be entered into in compliance with the procurement procedures of the County. The County may install machinery, equipment and other tangible property in the Project Facilities and all such machinery, equipment and other tangible property not acquired and financed from Bond Proceeds will remain the sole property of the County and will not be deemed a portion of the Facilities Component.

SECTION 3.2. *Administration of Project Facilities Contracts.* The County shall be responsible for preparing, administering, amending and enforcing the Project Facilities Contracts to be entered into with respect to the Project Facilities and for litigating or settling all claims thereunder. The County and the Corporation, as their interests may appear, will be entitled to the benefit of all warranties, guaranties and indemnities provided under the Project Facilities Contracts and by law.

SECTION 3.3. *Notices and Permits.* The Corporation shall cooperate in any request made by 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 Project Facilities. 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 3.4. *Disbursements from the Project Fund.*

(a) The balance of the Bond Proceeds (net of any Underwriter's discount) remaining after the deposit of the Reserve Requirement to the Reserve Account shall be deposited by the Trustee into the Project Fund. Thereafter, disbursements from the Project Fund shall be made to pay Capitalized Interest, Costs of the Capital Projects and costs of issuance and other costs in accordance with the procedures set forth in Section 5.3 of the Trust Agreement.

(b) As provided in Section 5.3(c) of the Trust Agreement, the final requisition from the Project Fund shall contain, among other things, a Certificate of Acceptance of the County stating that the Capital Projects have been substantially completed in accordance with the applicable Project Facilities Contracts and other terms and conditions of the Facilities Agreement and that the Project Facilities comply in all material respects with all applicable governmental regulations. Upon receipt of such Certificate of Acceptance, the Trustee shall apply any balance then remaining in the Project Fund in the manner provided in Section 5.4 of the Trust Agreement. As used in this paragraph, "substantial completion" of the Capital Projects shall mean completion such that a certificate of occupancy could be issued notwithstanding the fact that certain minor items of work remain to be done.

(c) Upon the closing of the Project Fund, the County Financial Officer shall review the list of Project Facilities appearing on Exhibit F hereto, determine the actual amount of Bond Proceeds disbursed with respect to each Project Facility from the Project Fund, and give notice thereof to the Corporation and the Trustee. This Facilities Agreement shall be amended to revise Exhibit F as necessary to reflect actual amounts disbursed to each and to rank the Project Facilities in descending order based on the actual amount of Bond Proceeds disbursed to each. The Cumulative Project Costs and Cumulative Percentages of Project Costs appearing on Exhibit F shall be revised accordingly. Such amendment to the Facilities Agreement shall be executed by the County and the Corporation.

SECTION 3.5. *Defaults Under Project Facilities Contracts.* In the event of any material default by a supplier, contractor or subcontractor under any of the Project Facilities Contracts, or in the event of a material breach of warranty with respect to any property, fixtures, materials, workmanship or performance under any Project Facilities Contract, the County and the Corporation shall promptly proceed, and may do so in conjunction with others, to pursue diligently such remedies as are available against the applicable supplier, contractor or subcontractor and/or against any surety of any bond securing the performance of the Project Facilities Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing remaining after reimbursement to the County or the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement.

SECTION 3.6. *Contractor's Worker's Compensation Insurance.* The County and the Corporation shall take such steps as are necessary to ensure that worker's compensation insurance is in force with respect to any contracts.

SECTION 3.7. *Contractor's Performance and Payment Bonds.* The County shall take such steps as are necessary to ensure that performance and payment bonds regarding contractor's performance and payment are provided in the same manner as would be applicable to any contracts of the County. The Corporation shall take any action requested by the County in this regard. Such payment and performance bonds shall contain, to the extent practicable, dual obligee riders in favor of the Trustee.

The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the performance and payment bonds remaining after reimbursement to the County and the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement.

SECTION 3.8. *Contractor's General Public Liability and Property Damage Insurance.* The County shall take such steps as are necessary to ensure that comprehensive general public and property damage liability insurance is provided by contractors in the same manner as would be applicable to any contracts of the County. The Corporation shall take any action requested by the County in this regard.

SECTION 3.9. *Proceeds of Insurance Policies.* The Net Proceeds of any insurance policies required by Sections 3.7 or 3.8 of this Facilities Agreement, or any amounts recovered by way of damages, refunds, adjustments, proceeds or otherwise from such insurance policies, and after reimbursement to the County or the Corporation of any amounts not to exceed \$100,000 theretofore paid by the County or the Corporation and not previously reimbursed to the County or the Corporation for actions taken by the County or the Corporation to restore damaged portions of the Project Facilities to a condition necessary to secure the Project Facilities and prevent further loss shall be paid into the Project Fund before the Completion Date or, if received thereafter, shall either be deposited as provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement; provided, however, such deposit shall not exceed the amount necessary to fulfill the obligations of the County under this Facilities Agreement as determined by the Trustee.

SECTION 3.10. *No Merger of Project Facilities.* The Corporation and County confirm that the Project Facilities shall be property of the Corporation and title thereto shall remain vested in the Corporation and shall not merge into the respective leasehold estates of the Corporation in the Project Facilities Real Property, except that title to said Project Facilities shall revert to and be vested in the County upon termination of the Base Lease. The Corporation shall have the power to convey undivided interests in the Project Facilities to the County from time to time as Acquisition Payments are made as contemplated hereby.

ARTICLE IV ACQUISITION PAYMENTS; ASSIGNMENT TO TRUSTEE

SECTION 4.1. *Acquisition Payments.*

(a) *Acquisition Payments to Constitute a Current Expense of County.* The Corporation and the County understand and intend that the obligation of the County to pay Acquisition Payments hereunder shall constitute a current expense of the County 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 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 prior to each Bond Payment Date during the period this Facilities Agreement is in effect, the County shall pay to the Trustee, as assignee of the Corporation, Base

Payments exclusively from moneys 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 Facilities Agreement, in the amounts set forth on Exhibit D hereto. Each payment of Base Payments shall be in consideration for the conveyance of title to an undivided interest in the Project Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of Base Payments, the County shall be entitled to the use and occupancy of all of the Project Facilities Real Property and the Project Facilities during the applicable Fiscal Year in which such payments are made, subject to the provisions of Section 8.2 hereof.

(c) *Payment of Additional Payments.* Subject to the provisions of Section 4.7 hereof, the County agrees to pay 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) Within the time specified in Section 5.5(e) of the Trust Agreement, to the Trustee for payment into the Reserve Account or payment to the Surety on any Reserve Surety an amount equal to the amount transferred from the Reserve Account to the Acquisition Account upon receipt of written notice from the Trustee pursuant to Section 5.5(e) of the Trust Agreement of such a transfer from the Reserve Account to the Acquisition Account;

(iii) Within the period of time specified in Section 5.5(e) and 5.7(i) of the Trust Agreement, the amount of moneys necessary to restore the Reserve Account to the Reserve Requirement (as defined in the Trust Agreement) as may be required pursuant to said Sections 5.5(e) and 5.7(i); and

(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 Facilities Agreement or the Trust Agreement, including without limitation the amounts specified in Section 4.4 hereof.

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 Project Facilities Real Property and the Project Facilities, (ii) for the discharge of mechanic's and other liens relating to the Project Facilities Real Property and the Project Facilities, (iii) to obtain and maintain insurance for the Project Facilities Real Property and the Project 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 Facilities Agreement or the Base Lease. As provided in Section 6.11 of the Trust Agreement, the Trustee may, but shall be under no obligation to, 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 Section 5.4 of 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 Acquisition Account to be credited against those payments and representing Base Payments, including without limitation Capitalized Interest on the Bonds. In this connection, if applicable, when amounts remaining in the Reserve Account equal or exceed the remainder of Base Payments due, such amounts shall be transferred to the Acquisition Account as and when needed for payment of Base Payments.

(e) *Base Payments by County.* The County has no reason to believe, as of the date hereof, that it will not continue making Acquisition Payments through the entire duration of this Facilities Agreement,

and reasonably believes that it will pay the Acquisition Payments due or coming due hereunder in order to continue to use the Project Facilities and will have adequate capacity to issue general obligation debt that does not require voter approval in amounts sufficient and at times to pay Base Payments when due. The County further represents that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times sufficient to make Base Payments when due; provided that nothing herein shall be construed to limit the County from providing funds from other sources to pay Base Payments. These representations are subject to the ability of the County to terminate this Facilities Agreement and all obligations hereunder as provided in Section 4.7 hereof.

SECTION 4.2. *Acquisition Payments Not Subject to Reduction, Offset or Other Credits.*

(a) The County and the Corporation intend that this Facilities Agreement shall yield on a net basis the Base Payments specified in Section 4.1 hereof during the duration of this Facilities 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 owners of real or personal property, insurance premiums, utility charges, fees and expenses of the Consultant, and assessments and all operation, maintenance, repair and upkeep expenses relating to the Project Facilities and Project Facilities Real Property and the use of the Project Facilities and Project Facilities Real Property which do not constitute Base Payments, or other obligations relating to the Project Facilities and Project Facilities Real Property which may arise or become due during this Facilities Agreement and which the Corporation except for this Facilities Agreement or the provisions of the Base Lease would ordinarily be required to pay as owner of the Project Facilities and Project Facilities Real Property (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 Acquisition Payments and paid by the County as Additional Payments. The County acknowledges that, under the provisions of the Base Lease, it has retained sole responsibility for the payment of taxes and insurance on the Project Facilities Real Property and the Project 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, except as provided in Section 4.1(b) of the Base Lease.

(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 of the Security Documents, that 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 Project Facilities Real Property or the Project Facilities or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the County shall, after 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 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 the sale of the Project Facilities Real Property or the Project 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 Project Facilities Real Property or the Project Facilities or any part thereof by reason of such nonpayment or noncompliance.

(c) To the extent permitted by law, the County hereby agrees to indemnify, defend and hold the Corporation harmless from the payment of Additional Payments which may be deemed the obligation of the Corporation by such third party suppliers.

SECTION 4.3. *Prepayment of Acquisition Payments.* The County may prepay Acquisition Payments in whole or in part as provided in, and under the conditions prescribed under, Sections 7.3 and 9.1 hereof, or at any time that the County so determines for the purpose of providing for the redemption of Series 2013 Bonds as provided in Section 4.1(a) or 4.1(c) of the Trust Agreement. The County shall notify the Trustee in writing of the dates on which the Series 2013 Bonds corresponding to any prepayment hereunder are to be redeemed and the amount to be redeemed 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.

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 reasonable expenses from time to time of the Trustee and any paying agent or registrar incurred in administering the Trust Agreement and the Bonds, and (ii) any reasonable expenses, including reasonable attorneys' fees, incurred by the Corporation or the Trustee to compel full and punctual performance of this Facilities Agreement in accordance with the terms hereof.

SECTION 4.5. *Assignment of Facilities Agreement; Manner of Payment.* As security for and the source of payment of the Series 2013 Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Facilities 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 5.6 hereof. The County consents and agrees to the assignment of this Facilities Agreement as provided herein. The County covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Facilities Agreement, and to make all payments required by the County under this Facilities 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. In the event that the Corporation and the County hereafter enter into a Supplemental Base Lease and a Supplemental Facilities Agreement to provide for the acquisition and construction of Additional Capital Projects, the County acknowledges that such Supplemental Facilities Agreement will be assigned by the Corporation to the Trustee as security for and the source of payment for the Additional Bonds issued to finance the costs of the Additional Capital Projects.

SECTION 4.6. *Limited and Special Obligation of County.* UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE COUNTY MAY TERMINATE THIS FACILITIES AGREEMENT AT THE END OF THE LAST FISCAL YEAR WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE COUNTY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE ACQUISITION PAYMENTS PROVIDED FOR IN THIS FACILITIES AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR. The County agrees to deliver notice to the Corporation and the Trustee of any such termination prior to July 1 of the Fiscal Year first affected by an Event of Nonappropriation. If this Facilities 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 Project Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

The obligations of the County to make Acquisition 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 Facilities 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 Acquisition Payments when due and shall not withhold any Acquisition 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 Facilities Agreement. The County's obligation to make Acquisition Payments during the duration of this Facilities 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 Facilities Agreement by reason of any defects, malfunctions, breakdowns, or infirmities of the Project Facilities, failure of the Corporation to complete the acquisition, construction, renovation or expansion of the Capital Projects, failure of the County to occupy or to use the Project Facilities as contemplated in this Facilities Agreement or otherwise, any change or delay in the time of availability of the Project Facilities, any acts or circumstances which may impair or preclude the use or possession of the Project Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the Project Facilities or in the suitability of the Project Facilities for the County's purposes or needs, failure of consideration, the invalidity of any provision of this Facilities Agreement, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Project Facilities Real Property or the Project Facilities, the taking by eminent domain of title to or the use of all or any part of the Project Facilities Real Property or the Project Facilities, failure of the County's title to the Project Facilities Real Property or any part thereof, 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 Facilities Agreement. Nothing contained in this paragraph 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 Facilities 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 Facilities 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 Facilities 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 ACQUISITION PAYMENTS HEREUNDER AS SET FORTH ABOVE.

THE OBLIGATIONS OF THE COUNTY UNDER THIS FACILITIES 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.* In the event the County Council shall not specifically budget and appropriate, on or before July 1 of each year, moneys to pay all Acquisition Payments due hereunder and under any Supplemental Facilities Agreement and to accrue hereunder for the Fiscal Year commencing on such July 1, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) The Trustee shall declare an Event of Nonappropriation on any earlier date on which the Trustee receives official, specific written notice from the County that this Facilities Agreement will be terminated.

(b) As soon as practicable after receiving such specific written notice from the County or after an Event of Nonappropriation is deemed to have occurred as contemplated above, the Trustee shall give written notice to the County and the Corporation of an Event of Nonappropriation; 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.

(c) The Trustee may waive any Event of Nonappropriation which is cured by the County within a reasonable time if the Waiver Period has not expired and in the Trustee's sole discretion such waiver is in the best interest of the Owners of the Bonds.

(d) The Trustee shall waive any Event of Nonappropriation which is cured by the County's specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Acquisition Payments coming due hereunder for such Fiscal Year.

If an Event of Nonappropriation occurs and is not waived, the County shall not be deemed to be in default under this Facilities Agreement and shall not be obligated to make payment of any future Acquisition 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, however, that, subject to the limitations of Section 4.6 hereof and this Section 4.7, the County shall continue to be liable for Acquisition Payments (a) accrued prior to the beginning of such Fiscal Year, and due hereunder, and (b) allocable to any period during which the County shall continue to occupy the Corporation Facilities.

The enactment by the County Council of an ordinance authorizing the issuance of general obligation bonds of the County at such time and in such amount as will provide sufficient funds for the County to make all Base Payments due in the Fiscal Year in question shall be deemed a specific budgeting and appropriating of such funds for purposes of this Section 4.7.

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 by the expiration of the Fiscal Year during which an Event of Nonappropriation occurs if such occurs by notice, or not later than the July 31 following the July 1 on which the County shall fail to specifically budget and appropriate sufficient moneys to pay the Acquisition Payments hereunder.

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 Owners of the Series 2013 Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such occurs by notice, or the July 31 following the July 1 on which the County fails specifically to budget and appropriate sufficient moneys to pay the Acquisition Payments hereunder, the Trustee may or shall, as the case may be, proceed to exercise its remedies, liquidate its interest in this Facilities Agreement or to lease the Project Facilities as provided in Section 8.2 of this Facilities Agreement, provided, however, that the Project Facilities shall always be operated for a civic or a public purpose as provided in Section 4.1 of the Base Lease to the extent such requirement continues to be applicable under State law. 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 Owners of the Series 2013 Bonds as set forth in the Trust Agreement.

Notwithstanding anything in this Facilities Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Facilities 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, in excess of the principal amount of the Outstanding 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. *Consolidation or Merger.* Nothing in this Facilities Agreement shall be construed to prevent the County from combining with one or more counties (as defined under the laws of the State) not parties to this Facilities Agreement to form a consolidated or a merged County, provided that the consolidated or merged County enters into a written supplement hereto, joined in by the Corporation, whereunder the consolidated or merged County assumes payment of Acquisition Payments and all other obligations of the County hereunder, thereupon such consolidated or merged County shall replace and become the County for all purposes of this Facilities Agreement.

SECTION 5.2. *Maintenance and Operation of Project Facilities Real Property and Project Facilities; Substitution or Release of Project Facilities and Project Facilities Real Property; Addition of Project Facilities Real Property.*

(a) Subject to Sections 4.6 and 4.7 herein, the County covenants and represents it will, at its own cost or expense, operate the Project Facilities Real Property and the Project Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, further that it will maintain, preserve and keep the Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project Facilities may be properly and advantageously conducted. This covenant shall not prevent the County from discontinuing operation of the Project Facilities Real Property and the Project Facilities at any time.

(b) Except as otherwise provided in this Section 5.2 and in Section 3.6 of the Base Lease, prior to payment of the Bonds in full, the County shall not sell, transfer, lease, sublease or otherwise dispose of all or any substantial portion of the Project Facilities Real Property or the Project Facilities, or its interests under this Facilities Agreement, except to another County, as defined under the laws of the State, which assumes in writing all obligations of the County under this Facilities 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 Project Facilities Real Property and Project Facilities (the "**Released Facility**") for another building and the real estate on which such facility (the "**Exchange Facility**") is located if: (i) the County provides the Trustee an appraisal in form and content satisfactory to the Trustee from an appraiser that is reasonably satisfactory to the Trustee showing that the proposed Exchange Facility has a value equal to or greater than the proposed Released Facility; (ii) the County certifies to the Trustee that the Exchange Facility is necessary to the operations of the County and that the remaining useful life of the Exchange Facility is not less than the remaining useful life of the Released Facility; (iii) the County certifies to the Trustee that the exchange is necessary to facilitate either the sale or other

disposition of the Released Facility or the conversion of its use to another purpose; and (iv) the Trustee receives an opinion of Bond Counsel to the effect that the proposed exchange will not adversely affect the Federal income tax treatment of interest paid to the Holders of the Bonds.

In the event the County desires to provide for the exchange of Project Facilities Real Property prior to the commencement thereon of any improvements comprising a portion of the Capital Projects, then (i) the appraisal required by Section 5.2(c)(i) shall take into account any proposed improvements to the Exchange Facility proposed as a portion of the Capital Projects, (ii) the certification of the County as to the remaining useful life of the Exchange Facility required by Section 5.2(c)(ii) herein may take into account any proposed improvements to the Exchange Facility proposed as a portion of the Capital Projects, and (iii) the certification set forth in Section 5.2(c)(iii) herein shall not be required.

(d) Particular components of Project Facilities and Project Facilities Real Property may be released from the Base Lease and this Facilities Agreement from time to time upon the refunding of a portion of the Series 2013 Bonds then Outstanding as provided in Section 9.4 hereof. Upon the partition of Project Facilities and Project Facilities Real Property pursuant to Section 9.4 hereof, Exhibit A hereto shall be amended to release the Project Facilities and Project Facilities Real Property allocated to the Refunding Bonds (as defined in Section 9.4 hereof).

(e) Tracts of Property Facilities Real Property or portions thereof may be released or substituted from time to time pursuant to the provisions of Section 3.6 of the Base Lease. Upon the release or substitution of any tract of Project Facilities Real Property or portion thereof from the Base Lease, such Project Facilities Real Property shall also be released from or substituted under the provisions of this Facilities Agreement, and Exhibit A hereto shall be amended to reflect such release or substitution. The provisions of Section 5.2(c) shall not apply to the release or substitution of any tract of Project Facilities Real Property pursuant to the provisions of Section 3.6 of the Base Lease.

(f) The Base Lease may be amended from time to time to provide for the lease by the County to the Corporation of Project Facilities Real Property acquired or made available by the County after the date of the Base Lease and this Facilities Agreement. Upon the lease of such Project Facilities Real Property by the County to the Corporation pursuant to the Base Lease, Exhibit A hereto shall be amended to include such Project Facilities Real Property.

SECTION 5.3. *Liens on Project Facilities.* The County shall not create, incur or suffer to exist any lien, charge or encumbrance on the Project Facilities Real Property or the Project Facilities or its rights under this Facilities Agreement other than any Permitted Encumbrance.

SECTION 5.4. *Representations and Covenants Regarding Tax Exempt Status of Bonds.*

(a) The County covenants to enter into the Tax Regulatory Agreement with the Corporation and the Trustee.

(b) The County shall not take any action 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 Facilities Agreement would cause the interest paid on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(c) The County covenants to the Corporation, the Trustee and the Owners of the Bonds that, notwithstanding any other provision of this Facilities Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of the proceeds of the 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 Bonds which would cause the Bonds to be “arbitrage bonds” under Section 148 of the Code and the regulations thereunder or to be “Federally guaranteed” under Section 149(b) of the Code and the regulations thereunder, and that it will comply with the requirements of such Sections and regulations throughout the term of the Bonds.

(d) 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 the 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 the Tax Regulatory Agreement.

(e) The County will accept title to the Project Facilities upon the discharge of the Bonds.

SECTION 5.5. *Reports and Opinions; Inspections.*

(a) The County shall deliver to the Trustee and the Corporation, within 90 days after the end of each Fiscal Year, a certificate stating that no Event of Default under this Facilities Agreement has occurred and is continuing and that the Project Facilities are being used in accordance with the terms of this Facilities Agreement.

(b) On a date not later than four years and six months after the issuance of the Bonds, and on each fifth anniversary of such date, the County shall deliver to the Trustee a legal opinion advising the Trustee of each action necessary to continue for the following five-year period the perfection of the security interests granted pursuant to the Trust Agreement together with any UCC continuation statements or other documents that are identified in such opinion.

(c) The County shall permit the Corporation and the Trustee to examine, visit and inspect, at any reasonable time, the Project 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 require.

SECTION 5.6. *Immunity and Indemnification 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 Facilities 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 Project Facilities Real Property, the Project Facilities or this Facilities 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 Facilities 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 Facilities Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person. To the extent permitted by law, the County agrees to indemnify the Corporation and any of its members, directors, officers, employees or agents for any liabilities and costs resulting from the Corporation’s actions under the Base Lease, the Facilities Agreement or the Trust Agreement. To the extent permitted by law, the County shall indemnify and defend the Corporation and the Trustee and any of their members, directors, officers, employees or agents

and save them harmless against any liability, including expenses and legal or other fees, intended to be precluded by this Section 5.6 resulting from acts or omissions of the County or from acts or omissions of the Corporation or any of their members, directors, officers, employees or agents in connection with any acts taken pursuant to this Facilities Agreement, except for fraud, deceit, or acts taken in bad faith or which are negligent.

SECTION 5.7. *Compliance with Laws.* With respect to the Project Facilities Real Property and the Project 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 5.7 so long as it is contesting in good faith any such requirement by appropriate legal proceedings.

SECTION 5.8. *Insurance and Condemnation Proceeds.* The County shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the Project Facilities in excess of \$250,000 without the written consent of the Trustee except as may be required by the terms of the Security Documents or of any Permitted Encumbrances existing on the date hereof.

SECTION 5.9. *Filing of Budget with Trustee.* For the duration of this Facilities Agreement, the County shall file with the Trustee, prior to the end of each Fiscal Year, a copy of the annual budget of the County for the following Fiscal Year.

SECTION 5.10. *Alterations of the Project Facilities; Removals.* The County, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the Project Facilities Real Property and the Project 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 Project Facilities Real Property and the Project Facilities. Subject to the right of the County to install its own machinery, equipment and other tangible personal property as provided in Section 3.1 hereof, any such changes shall become and be deemed to constitute part of the Project Facilities Real Property or the Project Facilities as the case may be.

In this connection, the County may remove any items of personal property constituting a part of the Project Facilities, provided that such removal of the personal property shall not materially diminish the value of the Project Facilities or the related Project Facilities Real Property.

In the case of any removal as provided above or any removal of County property not constituting Project Facilities, the County shall repair any damage resulting from such removal.

SECTION 5.11. *Continuing Disclosure.* The County covenants to provide the information required by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("**15c2-12**"), as an Obligated Person (as defined in 15c2-12) and to comply with the provisions of the Disclosure Dissemination Agent Agreement attached hereto as Exhibit E. In the event of a failure by the County to comply with any provisions of the Disclosure Dissemination Agent Agreement, the rights of the Owners of the Series 2013 Bonds to enforce the provisions of the Disclosure Dissemination Agent Agreement shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties' obligations under the Disclosure Dissemination Agent Agreement. Any failure by a party to perform in accordance with the Disclosure Dissemination Agent Agreement shall not constitute a default on the Series 2013 Bonds or under any other document relating to the Series 2013 Bonds, and all

rights and remedies shall be limited to those expressly stated in the Disclosure Dissemination Agent Agreement.

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 Project 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 Facilities Agreement, and upon completion of any construction, reconstruction, renovation or remodeling incidental to the completion and installation of the Project Facilities, on all such improvements to the Project Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the Project Facilities, with such deductible provisions as are acceptable to the Trustee. Such insurance shall name the Corporation and the Trustee as additional insureds, or, in lieu thereof, loss payees, as their interests may appear, be maintained for the duration of this Facilities Agreement and each policy shall be maintained in the amount set forth with respect thereto in Section 6.1(c) hereof.

(b) The County shall, to the extent required by law or good business practice, maintain for the duration of this Facilities Agreement, general liability insurance, worker's compensation insurance, and any other form of insurance which the County is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees in amounts at least equal to those carried by institutions of similar size and nature.

(c) The County shall maintain, for the term of this Facilities 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 \$600,000 per occurrence excess of a self-insured retention no greater than \$75,000. The Commission shall maintain property insurance on all of its property, including the Project Facilities, with limits of not less than \$_____ for property damage per occurrence and with deductibles of no greater than \$_____ per occurrence for property damage resulting from wind and hail and \$100,000 per occurrence for property damage resulting from all other causes, other than flood in Zones A and V. The County shall maintain separate flood insurance under the National Flood Insurance Program on those Project Facilities located in Flood Zones A and V with limits equal to the value of those Project Facilities located in Flood Zones A and V and their contents or up to the maximum limit offered by the National Flood Insurance Program and with a deductible of no greater than \$5,000 per building and contents per occurrence. Furthermore, the County shall maintain excess flood insurance included within its property insurance with a sublimit of not less than \$_____ per occurrence for property damage resulting from flood in all Flood Zones. The County shall also maintain earthquake insurance with limits of not less than \$_____ in the aggregate and with deductibles of no greater than \$100,000 per occurrence. Such insurance shall name the Corporation and the Trustee as additional insureds, as their interests may appear.

(d) All policies of insurance required hereunder shall be written by the South Carolina Insurance Reserve Fund, companies rated not lower than "A" by A. M. Best Company or in one of the two highest rating categories by Standard and Poor's Credit Markets Services and Moody's Investors Service, in each case qualified to do business in the State, provided that the County shall be permitted to maintain policies of insurance with United States Fire Insurance Company, which as of the date hereof was rated "A-" by

A. M. Best Company. Each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. In the event that a company is downgraded by A. M. Best Company, Standard & Poor's Credit Markets Services or Moody's Investors Service, the County shall have 30 days from the date of learning of the downgrade in which to identify a suitable replacement and procure a suitable insurance policy without constituting an Event of Default. 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 or the County shall cause the same to be furnished to the Corporation and the Trustee at or prior to the execution and delivery of this Facilities Agreement, and at least 10 days prior to the expiration of each of such policies. 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, following written notice to the County, 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 any time after the execution of this Facilities Agreement, the County desires to self-insure in part or in whole, to the extent permitted by law, other than self-insurance in effect as of the date hereof, the County shall deliver to the Corporation and the Trustee a certificate or opinion of an independent insurance agent or a person or company knowledgeable in such matters acceptable to the Corporation and the Trustee to the effect that such self-insurance provides coverage that is comparable to the coverage required to be provided under insurance policies pursuant to Section 6.1 hereof. The entry into such self-insurance program shall require the written approval of the Corporation and the Trustee.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

SECTION 7.1. *Damage, Destruction and Condemnation.* If, during the duration of this Facilities Agreement, (i) the Project Facilities or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the Project Facilities, the Project Facilities Real Property or any portion thereof or the estate of the County or the Corporation in the Project Facilities, the Project Facilities Real Property 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 Project Facilities, the Project Facilities Real Property or any portion thereof shall become apparent, or (iv) title to or the use of all or any portion of the Project Facilities, Project Facilities Real Property or any portion thereof 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 Acquisition Payments under this Facilities Agreement.

SECTION 7.2. *Obligation to Repair or Replace the Project 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 as provided in Section 3.9 hereof prior to the Completion Date or, after the Completion Date, 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 Project Facilities by the County upon receipt of requisitions acceptable to 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 Facilities 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 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 Project Facilities under this Facilities 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 Project Facilities referred to above, the County shall be responsible, subject to the option contained 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. 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 Owners of the Bonds, nor shall the County be entitled to any diminution of any Acquisition Payments payable under this Facilities Agreement.

SECTION 7.3. *Discharge of Obligation to Repair or Replace the Project Facilities.* If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the Project Facilities or Project Facilities Real Property is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the Project Facilities or Project Facilities Real Property would be impracticable, (b) there is discovered a material defect in the construction of the Project Facilities, or any portion thereof that renders the Project Facilities or such portion unusable by the County for its intended purposes, (c) all or substantially all of the Project Facilities or Project Facilities Real Property relating to a particular building is taken by eminent domain or (d) the County is deprived of the use of any part of the Project Facilities or Project Facilities Real Property 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 Acquisition 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 Bonds at the earliest practicable date, the Acquisition Price shall be recalculated to take account of such prepayment, title to the affected part of the Project Facilities shall be deemed transferred to the County and in the event of any future partition under Section 2.4 or 9.4 hereof, such affected part of the Project Facilities or Project Facilities Real Property 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 all Bonds, all Bonds shall be redeemed, title to all the Project

Facilities, Project Facilities Property or portion thereof shall be transferred to the County and any amounts not required for the redemption of the Bonds and payment of other expenses 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 Facilities Agreement, in making the Net Proceeds available in accordance with Section 7.2 or 7.3 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project Facilities, the Project Facilities Real Property or any portion thereof and in the enforcement of all warranties relating to the Project Facilities. The Corporation hereby designates the County as its agent for the purpose of making collections under such policies. 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 Project 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 by the first day of the calendar month after the same is due (provided, however, that an Event of Nonappropriation shall not result in an Event of Default under this provision); or

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

(c) failure by the County to make any payment required to be made pursuant to Section 4.1(c), 4.2 or 4.4 hereof or under the provisions of the Base Lease within 10 days after the same is due; or

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

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

(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 Facilities Agreement (provided that the County shall not be in default so long as it is diligently prosecuting a bona fide appeal from any such execution, garnishment or attachment); or

(g) if the County shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the County or of property of the County, or (ii) admit in writing the inability of the County to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the United States

Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code; or

(h) if there shall have occurred an event of default or event of nonappropriation under any Supplemental Facilities Agreement or an event of default with respect to any Series of Additional Bonds.

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 Facilities 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. Subject at all times to the rights of the County under Section 2.1 hereof as to portions of the Project Facilities it has so acquired, whenever any Event of Default referred to in Section 8.1 of this Facilities Agreement shall have happened and be continuing, or if an Event of Nonappropriation shall have happened, the Corporation and the Trustee may terminate this Facilities Agreement and shall give notice to the County to vacate the Corporation Facilities within 31 days from the date of such notice; provided that if an Event of Nonappropriation shall occur by reason of the failure of the County to specifically budget and appropriate for Acquisition Payments on or before July 1 of any year, the County shall vacate or deliver possession of the Corporation Facilities not later than the immediately following July 31 or such later date as may be determined under Section 2.4 hereof.

Subject at all times to the rights of the County under Section 2.1 hereof as to portions of the Project Facilities it has so acquired, the Trustee, in its discretion, 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 Project Facilities under this Facilities Agreement, the Security Documents and the Trust Agreement, subject, however, to the limitations set forth herein, and (ii) exercise all applicable rights and remedies of a secured party under Title 36, Chapter 9, Code of Laws of South Carolina, 1976, as amended. In the event that Additional Bonds have been issued and are Outstanding at the time of the occurrence of the Event of Default or Event of Nonappropriation, the Trustee may enforce its rights in and to the Project Facilities only to protect the interests of the Owners of the Series 2013 Bonds and may enforce its rights in and to any Additional Project Facilities only to protect the interests of the Owners of the Additional Bonds issued to finance the costs of improvements to such Additional Project Facilities.

In addition, the Trustee may, or at the direction of the Owners of the majority in aggregate principal amount of the Outstanding Bonds shall, without any further demand or notice, and subject to the terms of the Base Lease, including without limitation, the provisions in Section 4.1 of the Base Lease which provide that the Corporation Facilities shall always be operated for a civic or public purpose to the extent applicable under State law, take one or both of the following additional remedial steps:

(i) The Trustee may liquidate its interest in this Facilities Agreement or sell or assign its interest in the Base Lease upon five (5) days prior written notice to the County; or

(ii) In the event that the Trustee deems a delay in the liquidation of its interest in this Facilities Agreement to be in the best interest of the Owners of the Bonds, the Trustee may temporarily assign its rights to the Corporation Facilities for the benefit of the Owners of the Bonds.

Notwithstanding anything in this Facilities Agreement to the contrary, in the event of a termination of the County's interest in any portion of the Project Facilities and subsequent thereto the Trustee shall receive a payment for the transfer of its interest in this Facilities 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 Outstanding Bonds 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 the Trustee shall pay such excess to the County.

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 Facilities Agreement.

SECTION 8.4. *Cumulative Rights.* No remedy conferred upon or reserved to the Corporation or the Trustee by this Facilities 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 Facilities 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 Facilities 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 PROJECT FACILITIES

SECTION 9.1. *Optional Purchase of the Project Facilities.* (a) *Purchase in Full.* The County is hereby granted the option to terminate this Facilities Agreement and to purchase the Corporation's interest in the Project 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 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 or such later date as may be acceptable to the Trustee, but in no event later than the 30th day preceding the date of such purchase, and the County 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 Project Facilities to the County in the manner provided in Section 9.2 hereof.

(b) *Partial Prepayment of Acquisition Payments and Purchase.* From and after _____ 1, 20__, the County is also granted the option to prepay Acquisition Payments on the due date of any Base Payments hereunder for the purpose of having such prepayments credited towards the purchase price of the Project 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 or such later date as may be acceptable to the Trustee, but in no event later than the 30th 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 Project Facilities and the Project Facilities Real Property pursuant to Section 9.1(a) of this Facilities Agreement, or at the termination hereof by the payment of all amounts due hereunder, the Corporation and the Trustee by an instrument terminating the Base Lease and this Facilities Agreement and by 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 shall execute and deliver to the County all necessary documents assigning, transferring, conveying and relinquishing all interest to the Project Facilities and the Project Facilities Real Property, subject to the following:

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

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

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

(b) *Partial Conveyance Resulting from Partition Upon an Event of Nonappropriation.* Upon any conveyance under Section 2.4 hereof to the County, the Corporation and the Trustee shall execute and deliver to the County all necessary documents assigning, transferring and conveying all interest in the Public Facilities by an instrument terminating the Base Lease and this Facilities Agreement with respect to the Public 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 Facilities Agreement and the Trust Agreement;

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

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

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

Upon any conveyance under Section 2.4 hereof to the Corporation, the County shall execute and deliver to the Corporation and the Trustee all necessary documents assigning, transferring and conveying all interest in the Corporation Facilities by an instrument terminating this Facilities Agreement with respect to the Corporation 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 Facilities Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the County, the Corporation and the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the County, Corporation or the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement;
- (iii) any lien or encumbrance created by action of the County; and
- (iv) the Base Lease.

The County shall not be responsible for the recordation of any deed or other instrument to the Trustee or the Corporation for such purposes and the Trustee or the Corporation shall be responsible for the recordation of any such deed or other instrument for such purposes.

(c) *Partial Conveyance Resulting from 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.

SECTION 9.3. *Transfer of Project Facilities and Project Facilities Real Property Upon Refunding of an Entire Series of Bonds.* In the event that the Corporation issues a Series of Additional Bonds (the “*Refunding Bonds*”) pursuant to the Trust Agreement, as supplemented by a Supplemental Trust Agreement, to provide funds to redeem all of the Outstanding Bonds, then:

- (i) All of the Project Facilities Real Property leased by the County to the Corporation pursuant to the Base Lease shall become subject to the provisions of the Supplemental Base Lease entered into in connection with the issuance of the Refunding Bonds; and
- (ii) All of the Project Facilities subject to the Facilities Agreement shall become subject to the provisions of the Supplemental Facilities Agreement entered into in connection with the issuance of the Refunding Bonds.

SECTION 9.4. *Partition of Project Facilities and Project Facilities Real Property Upon Partial Refunding of Series 2013 Bonds.*

(a) In the event that the Corporation issues a Series of Additional Bonds pursuant to the Trust Agreement, as supplemented by a Supplemental Trust Agreement (the “*Refunding Bonds*”), to provide funds to defease a portion (such portion being referred to as the “*Refunded Bonds*”) of the Outstanding Series 2013 Bonds, such Refunding Bonds will be issued on a parity with the Series 2013 Bonds if construction of the Capital Projects has not been completed at the time of the issuance of the Refunding Bonds. Refunding Bonds issued after completion of the Capital Projects may, at the option of the Corporation, be issued on a parity with the Series 2013 Bonds, as provided in the Trust Agreement. In the event that Refunding Bonds are issued which are not on a parity with the Series 2013 Bonds, then the

Project Facilities Real Property and the Project Facilities shall be partitioned and allocated to the Series 2013 Bonds which thereafter shall remain Outstanding and to the Refunding Bonds as set forth in this Section 9.4.

Upon delivery of the Refunding Bonds, the County shall determine (i) the percentage of the total Acquisition Price, as shown on Exhibit D hereto, which has theretofore been paid (the ***“Paid Acquisition Price”***) and (ii) the percentage of Acquisition Price which then remains to be paid (the ***“Remaining Acquisition Price”***). That portion of the Acquisition Price which will not be payable as a consequence of the issuance of the Refunding Bonds shall not be included in the calculation of the Remaining Acquisition Price. Project Facilities shall be partitioned and allocated based upon such percentages of the Acquisition Price relative to Cumulative Percentage of Project Costs as established by Exhibit F hereto, as amended pursuant to Section 3.4(c) hereof.

Project Facilities shall for purposes of this Section 9.4 be allocated, as entire components only, as follows: The Cumulative Percentage of Project Costs in an amount equal (subject to adjustment as provided in the sentence next following) to the combined percentages of the Paid Acquisition Price and the Remaining Acquisition Price shall be allocated to the Series 2013 Bonds. In the event that the combined percentages of the Paid Acquisition Price and the Remaining Acquisition Price do not exactly equal a Cumulative Percentage of Project Costs listed in Exhibit F, then that listed Cumulative Percentage of Project Costs which is closest to, but not less than, the combined percentages of the Paid Acquisition Price and the Remaining Acquisition Price shall be allocated to the Series 2013 Bonds. The remaining percentage of Project Costs shall be allocated to the Refunding Bonds. For purposes of this paragraph, the allocation of Cumulative Percentage of Project Costs shall include allocation of (i) those Project Facilities associated with such Cumulative Percentage of Project Costs as shown in Exhibit F and (ii) the Project Facilities Real Property associated therewith.

Upon the making of the partition and allocation described in this Section 9.4(a), the County shall give written notice thereof to the Corporation and the Trustee. Unless the Corporation or the Trustee objects within ten business days of their receipt of such notice, this Facilities Agreement and the Base Lease shall be amended by the County and the Corporation to release the Project Facilities and corresponding Project Facilities Real Property allocated to the Refunding Bonds from the provisions hereof and thereof.

(b) In the event that Exhibit F hereto has not been amended as provided in Section 3.4(c) prior to the time that the Refunding Bonds are issued, the County Financial Officer shall revise Exhibit F to reflect actual amounts of Bond Proceeds disbursed with respect to each component of Project Facilities and to rank the Project Facilities in descending order based on the actual amount of Bond Proceeds disbursed to each and the Cumulative Project Costs and Cumulative Percentages of Project Costs shall be revised accordingly; provided, however, any components of Project Facilities for which there has not been “substantial completion” (as defined in Section 3.4(b) hereof) of the Capital Projects related thereto shall be placed at the top of the list in descending order of Bond Proceeds expended thereon to date so as to constitute the first Project Facilities to be allocated to the Series 2013 Bonds.

**ARTICLE X
MISCELLANEOUS**

SECTION 10.1. *Limitation of Liability of the Corporation and the County.* Notwithstanding any other provision of this Facilities Agreement, in the event of any default 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 their respective interests in the Base Lease and under this Facilities 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 any Base Payments due as provided in Section 2.3 hereof, and there shall be no recourse for any claim based on this Facilities Agreement, the Trust Agreement or the Bonds, against any other property 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 Facilities 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 any Base Payments due 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 Project Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related Project Facilities 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:

The Corporation	Greenville Technical College Public Facilities Corporation <hr/> <hr/> Attention: Chairman
The County	Greenville County, South Carolina 301 University Ridge, Suite 2400 Greenville, South Carolina 29601 Attention: County Administrator
The Commission:	Greenville County Commission for Technical Education 506 South Pleasantburg Drive Administration Building, Room 142 Greenville, South Carolina 29607 Attention: Vice President of Finance

The Trustee

The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

SECTION 10.4. *Assignments.* Except as contemplated in Section 5.1 hereof and the Trust Agreement, this Facilities 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 Facilities Agreement.

SECTION 10.5. *Severability.* In case any provision of this Facilities Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and this Facilities 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 written consent of the Trustee, but without the consent of the Owner of any Bond, enter into any amendments hereto at any time for any of the following purposes:

- (a) To cure any ambiguity, defect or omission herein or in any amendment hereto; or
- (b) To grant to or confer upon the Corporation any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or
- (c) To add to the covenants and agreements of the County herein contained, or to surrender any right or power herein reserved to or conferred upon the County; or
- (d) To reflect a change in applicable law;
- (e) To make any amendments required by Moody's Investors Service or Standard and Poor's Credit Markets Services as a condition to rating the Bonds.

The County and the Corporation may, with notice to but without the prior consent of the Trustee, and without the consent of the Owner of any Bond, enter into any amendments hereto at any time and from time to time to make any changes required in connection with a substitution or release of Project Facilities or Project Facilities Real Property as permitted under the Base Lease or hereunder, to add Project Facilities or Project Facilities Real Property hereto or to revise Exhibit F hereto as provided in Section 3.4(c) hereof.

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

SECTION 10.7. *Supplemental Facilities Agreements.* The County and the Corporation may, with notice to but without the prior written consent of the Trustee, and without the consent of the Owner of any Bond, enter into Supplemental Facilities Agreements from time to time to provide for the acquisition, construction, renovation and expansion of Additional Project Facilities by the Corporation and for the sale of the Additional Project Facilities by the Corporation to the County and all other matters necessary in connection therewith. Such Supplemental Facilities Agreement shall increase the Acquisition Payments made hereunder by the County to the Corporation in such amounts as needed to

provide for the purchase of undivided interests in the Additional Project Facilities. The rights of the Corporation to receive such Acquisition Payments, together with the rights of the Corporation under the Base Lease, as supplemented by the Supplemental Base Lease, and this Facilities Agreement, as supplemented by the Supplemental Facilities Agreement, with respect to the Additional Project Facilities and Additional Project Facilities Real Property will be assigned to the Trustee pursuant to a Supplemental Trust Agreement.

SECTION 10.8. *Successors and Assigns.* All covenants, promises and agreements contained in this Facilities 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 10.9. *Applicable Law.* This Facilities Agreement shall be governed by, and interpreted under, the laws of the State of South Carolina.

SECTION 10.10. *Recordation.* At the option of the Corporation this Facilities Agreement or a short form and summary hereof may be recorded in appropriate official records.

IN WITNESS WHEREOF the Corporation, the County and the Commission have caused this Facilities Agreement to be duly executed as of the date first above written.

WITNESS:

**GREENVILLE TECHNICAL COLLEGE
PUBLIC FACILITIES CORPORATION**

By: _____
President, Board of Directors

Attest: _____
Secretary, Board of Directors

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 2013 by the within named _____ as President of the Board of Directors of the GREENVILLE TECHNICAL COLLEGE PUBLIC FACILITIES CORPORATION (the “*Corporation*”) and _____ as Secretary of the Board of Directors of the Corporation as the act and deed of the Corporation.

Notary Public, State of South Carolina
My Commission Expires:_____

**GREENVILLE COUNTY COMMISSION
FOR TECHNICAL EDUCATION**

WITNESS:

By: _____
President

Attest: _____
Secretary

**STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)**

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 2013 by the within named _____ as Chairman of GREENVILLE COUNTY COMMISSION FOR TECHNICAL EDUCATION (the “**Commission**”) and _____ as Secretary of the Commission as the act and deed of the Commission.

Notary Public, State of South Carolina
My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT FACILITIES REAL PROPERTY

All those pieces, parcels or lots of land together with all improvements located or to be located hereon and being more particularly described as follows:

EXHIBIT B

PERMITTED ENCUMBRANCES

1. Matters of survey and such state of facts as an accurate inspection and survey of the Project Facilities Real Property might reveal.
2. Taxes and Assessments for the year 2013 and all subsequent years.
3. Utility easements necessary to service the Project Facilities.
4. Such minor defects in title, easements and rights of way of record and irregularities in description as exist on the date hereof.

EXHIBIT C
CAPITAL PROJECTS

The Capital Projects intended by the Corporation to be financed with proceeds of the Series 2013 Bonds are as follows:

Carolinas Institute for Training and Innovation (CITI)

[Describe Project]

Renovation/Expansion of Property

Technical Resource Center

[Describe Project]

EXHIBIT D

ACQUISITION PAYMENTS SCHEDULE

Payment Due 15 th Day Prior to	Amount Due	Payment Due 15 th Day Prior to	Amount Due

EXHIBIT E

Form of Continuing Disclosure Undertaking

EXHIBIT F

SCHEDULE OF PROJECT FACILITIES TO BE PARTITIONED UPON PARTIAL REFUNDING

<u>Project Facility</u>	<u>Project Costs</u>	<u>Cumulative Project Costs</u>	<u>Cumulative Percentage of Project Costs</u>
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