ORDINANCE NO. 2020-095

AN ORDINANCE PROVIDING FOR AN INSTALLMENT PLAN OF FINANCE FOR CERTAIN DOWNTOWN CITY PROJECTS; APPROVING COLUMBIA FACILITIES CORPORATION AND ITS ACTIVITIES, INCLUDING THE ISSUANCE BY THE CORPORATION OF NOT EXCEEDING \$57,250,000 PRINCIPAL AMOUNT OF ITS INSTALLMENT PURCHASE REVENUE BONDS, IN ONE OR MORE SERIES, TAX-EXEMPT OR TAXABLE; AUTHORIZING THE EXECUTION AND DELIVERY OF A BASE LEASE AND CONVEYANCE AGREEMENT AND AN INSTALLMENT PURCHASE AND USE AGREEMENT EACH BETWEEN THE CITY OF COLUMBIA, SOUTH CAROLINA AND THE CORPORATION; APPROVING THE FORM AND TERMS OF A TRUST AGREEMENT BETWEEN THE CORPORATION AND A CORPORATE TRUSTEE NAMED THEREIN, IN CONNECTION WITH SUCH BONDS; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND OTHER DOCUMENTS WITH RESPECT TO THE MARKETING AND SALE OF SUCH BONDS; DELEGATING AUTHORITY TO THE MAYOR, THE CITY MANAGER AND THE ASSISTANT CITY MANAGER FOR FINANCE AND ECONOMIC SERVICES, OR ANY TWO OF THEM ACTING TOGETHER, TO APPROVE AND DETERMINE CERTAIN MATTERS; AND OTHER MATTERS RELATING THERETO.

Enacted December 1, 2020

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, AS FOLLOWS:

<u>Section 1</u>. <u>Definitions</u>. The terms defined in this Section for all purposes of this Ordinance shall have the respective meanings as set forth in this Section. The term:

"2020 Facilities" shall have the meaning ascribed in the Installment Purchase and Use Agreement; provided that such defined term may be updated or modified to reflect the calendar year in which the New Bonds (or any portion thereof) are issued.

"2020 Projects" means the acquisition, improvement, construction, renovation and equipping of certain public facilities, all as described on <u>Exhibit A</u> hereof, as the same may be amended from time to time; provided that such defined term may be updated or modified to reflect the calendar year in which the New Bonds (or any portion thereof) are issued.

"2020 Real Property" means the respective parcels of real property upon which certain improvements (including the Conveyed Improvements and the 2020 Projects), fixtures and personal property are located and comprising a portion of the 2020 Facilities, situated in the City and described in <u>Exhibit A</u> to the Base Lease and Conveyance Agreement, as the same may be amended from time to time; provided that such defined term may be updated or modified to reflect the calendar year in which the New Bonds (or any portion thereof) are issued.

"Ancillary Projects" shall have the meaning ascribed in the Installment Purchase and Use Agreement, and as described on Exhibit A hereof.

"Assignment Agreement" means the Assignment Agreement from the Corporation to the Trustee and one or more supplements thereto, each dated as of a date as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, as amended or supplemented from time to time.

"Authorized Officer" shall have the meaning set forth in Section 4 hereof.

"Base Lease and Conveyance Agreement" means the Base Lease and Conveyance Agreement and one or more supplements thereto, each between the City and the Corporation dated as of a date as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, as amended or supplemented from time to time.

"Bond Insurance Policy" shall mean the municipal bond insurance policy or similar guarantee to be issued by the Bond Insurer, if any, to insure the scheduled payments of the New Bonds.

"Bond Insurer" means the municipal bond insurance company, if any, selected by the Corporation to insure the payment of the New Bonds.

"Bonds to be Refunded" means all or any portion of the \$4,200,000 principal amount Special Obligation Bond (Hospitality Fee Pledge), Taxable Series 2019 (Junior Lien), to be refunded with the New Bonds, as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together.

"City" means the City of Columbia, South Carolina.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

"Conveyed Improvements" shall have the meaning set forth in the Installment Purchase and Use Agreement.

"Corporation" means Columbia Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

"Council" means the City Council of the City.

"Installment Purchase and Use Agreement" means the Installment Purchase and Use Agreement and one or more supplements thereto, each between the City and the Corporation dated as of a date as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, as amended or supplemented from time to time.

"New Bonds" means the not exceeding \$57,250,000 principal amount Columbia Facilities Corporation Installment Purchase Revenue Bonds, in one or more series, tax-exempt or taxable, or such other appropriate designation.

"Ordinance" means this Ordinance No. 2020-095 of the Council.

"Purchase Contract" means the Purchase Contract, if any, relating to the New Bonds between the Underwriter and the Corporation dated as of a date as may be determined by the parties thereto.

"South Carolina Code" means the Code of Laws of South Carolina 1976, as amended.

"Surety Bond" shall mean the municipal debt service reserve surety policy or similar guarantee to be issued by the Bond Insurer, if any, to satisfy the 2020 Reserve Requirement (as defined in the Trust Agreement) for the New Bonds.

"Trust Agreement" means the Trust Agreement and one or more supplements thereto, each between the Corporation and the Trustee dated as of a date as may be determined by the parties thereto pursuant to which the New Bonds will be issued, as amended or supplemented from time to time.

"Trustee" means the bank or financial institution selected by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, and its successors and assigns.

"Underwriter(s)" means such firm or other entity as designated by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together (acting upon the recommendation of the City's financial advisor), relating to the sale of the New Bonds.

Section 2. Findings and Determinations. The Council hereby finds and determines:

(a) The City is an incorporated municipality located in Richland County and Lexington County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of this State. Section 5-7-30 of the South Carolina Code provides, in part, that municipalities may enact ordinances, not inconsistent with the Constitution and general law of the State, respecting any subject which appears necessary and proper for the security, general welfare, and convenience of the municipality and for the preservation of the general health, peace, order and good government in the municipality. Further, under the case of <u>Williams v. Town of Hilton Head</u>, 429 S.E.2d 802 (1993), a municipality may enact regulations (ordinances) without the requirement for further specific statutory authorization so long as such regulations are not inconsistent with the Constitution and general law of the State.

(b) Section 5-7-40 of the South Carolina Code empowers all municipalities of the State to own and possess property within and without their corporate limits, real, personal or mixed, without limitation, and may, in the case of a sale, alienation, conveyance, lease or other disposition of real or mixed property, Council action must be effected by ordinance.

(c) In order to undertake the 2020 Projects, to pay a portion of the interest coming due on the New Bonds, and to provide funds to the City to refund the Bonds to be Refunded and undertake the Ancillary Projects, it is proposed that the City authorize an installment plan of finance (the "Installment Plan") for the 2020 Projects and enter into the Base Lease and Conveyance Agreement and the Installment Purchase and Use Agreement under which:

(i) the City will lease the 2020 Real Property and will convey the Conveyed Improvements to the Corporation for the Base Lease Term (as defined in the Base Lease and Conveyance Agreement);

(ii) the Corporation will agree to cause to be issued and sold the New Bonds;

(iii) the Corporation will use the proceeds of the New Bonds for one or more of the following purposes:

- (a) defraying the costs of the 2020 Projects;
- (b) paying a portion of the interest coming due on the New Bonds;
- (c) prepaying the Base Lease Rent (as defined in the Base Lease and Conveyance Agreement) which will be used by the City to refund the Bonds to be Refunded and/or defray the costs of the Ancillary Projects;
- (d) funding the 2020 Reserve Sub-Account, in an amount equal to the 2020 Reserve Requirement (as defined in the Trust Agreement), which may be satisfied through the purchase of the Reserve Surety, if any;
- (e) paying the premiums of the Bond Insurance Policy and/or the Reserve Surety, if any;
- (f) paying certain costs and expenses relating to the issuance of the New Bonds; and
- (g) for such other purposes as are provided in the Installment Purchase and Use Agreement and the Trust Agreement;

(iv) the Corporation will sell the 2020 Facilities to the City and upon payment by the City of Base Payments (as defined in the Installment Purchase and Use Agreement), title to an undivided interest in the 2020 Facilities equal to the percentage of the Purchase Price (as defined in the Installment

Purchase and Use Agreement) represented by such payment will transfer from the Corporation to the City without further action by either party; and

(v) subject to an Event of Nonappropriation (as defined in the Installment Purchase and Use Agreement), the City will pay to the Trustee as assignee of the Corporation or to the Corporation (as applicable), Base Payments and Additional Payments (as defined in the Installment Purchase and Use Agreement) (together, the "Installment Payments") in such amounts and at such times as will be specified in the Installment Purchase and Use Agreement.

(d) Pursuant to the Trust Agreement and the Assignment Agreement, the Corporation's right to receive the Base Payments and certain other payments as provided in the Trust Agreement and the Installment Purchase and Use Agreement (with certain exceptions as provided therein), and the Corporation's rights in and to the 2020 Facilities, the Installment Purchase and Use Agreement (with certain exceptions as provided therein), the Base Lease and Conveyance Agreement and the property rights evidenced thereby, and certain other Corporation rights will be assigned to the Trustee.

(e) It is anticipated that the portion of the principal and interest on the New Bonds that shall become due for payment but shall be unpaid by reason of nonpayment may be insured by a Bond Insurer selected by the Corporation based upon the advice and recommendation of the City's bond counsel and financial advisor.

(f) The Installment Purchase and Use Agreement and the Trust Agreement will grant certain rights to the Trustee for the benefit of the Bondholders or the Bond Insurer, if any, upon the occurrence of an Event of Default (as defined in such agreements) or an Event of Nonappropriation under the Installment Purchase and Use Agreement, including the right of the Trustee for the benefit of the Bondholders or the Bond Insurer, if any, to propose a division of the 2020 Facilities and the right to direct the Trustee to pursue any remedies granted under such agreements.

The 2020 Projects, the projects originally financed by the Bonds to be Refunded and the (g) Ancillary Projects (collectively, the "Financed Projects") are necessary and desirable in order for the City carry out its governmental purpose and to provide certain public facilities to and for the benefit and wellbeing of the citizens of the City. The Council has considered various financing alternatives with regard to the Financed Projects and has concluded that the Installment Plan authorized and approved by this Ordinance is the most efficient and expeditious manner in which to finance and refinance the Financed Projects. Administrative officials of the City in consultation with the City's bond counsel and financial advisor have thoroughly reviewed the Installment Plan, including the usual and customary terms and conditions of the Bond Insurer, if any, and its Bond Insurance Policy and/or Reserve Surety, if any. The Council has been advised that the purchase of the Bond Insurance Policy by the Corporation may result in lower debt service payments on the New Bonds than if bond insurance were not obtained, and the purchase of the Reserve Surety may be beneficial compared to satisfying the 2020 Reserve Requirement, if any, from a portion of the proceeds of the New Bonds. The Council authorizes the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, upon the advice of the City's bond counsel and financial advisor, to approve the terms and conditions of the Bond Insurance Policy and/or Reserve Surety which terms and conditions will be set forth in the respective agreements authorized and approved by this Ordinance, if obtaining bond insurance results in significantly lower debt service payments or other such benefits described above are present. In order to finance the cost of the 2020 Projects, to pay a portion of the interest coming due on the New Bonds, and to provide funds to the City to refund the Bonds to be Refunded and undertake the Ancillary Projects, the City has determined to approve the respective agreements described in this Ordinance and to enter into certain of such agreements, if so advised.

(h) It is now in the best interest of the City for the Council to approve the issuance and sale by the Corporation of the New Bonds in the principal amount of not exceeding \$57,250,000. The proceeds of the New Bonds shall be used by the Corporation for any one or more of the following purposes (i) defraying a portion of the costs associated with the acquisition, construction, renovation, improvement and equipping of the 2020 Projects; (ii) paying a portion of the interest coming due on the New Bonds; (iii) making the initial payment to the City of the Base Lease Rent which will be used by the City to refund the Bonds to be Refunded and defray a portion of the costs associated with the acquisition, construction, renovation, renovation, improvement and equipping of the Ancillary Projects; (iv) funding the 2020 Reserve Sub-Account in an amount equal to the 2020 Reserve Requirement (as defined in the Trust Agreement), which may be satisfied through the purchase of the Reserve Surety; (v) paying the premiums of the Bond Insurance Policy and/or the Reserve Surety, if any; and (vi) paying certain costs and expenses relating to the issuance of the New Bonds.

<u>Section 3</u>. <u>Approval of Corporation, Issuance of New Bonds and Installment Plan</u>. The City hereby approves the Corporation, its purposes and activities and the issuance and sale by the Corporation of the New Bonds in substantial conformance to the documents described herein, the forms of which are attached as exhibits to this Ordinance.

For the purposes of the financing contemplated by the Installment Purchase and Use Agreement and the Trust Agreement, the Council does hereby approve (i) the City's leasing the 2020 Real Property and conveying the Conveyed Improvements to the Corporation pursuant to the Base Lease and Conveyance Agreement; (ii) the City's purchasing the 2020 Facilities from the Corporation pursuant to the Installment Purchase and Use Agreement; (iii) the Trust Agreement and the Assignment Agreement; (iv) the 2020 Projects and the Ancillary Projects; (v) the refunding of the Bonds to be Refunded; and (vi) the use of the proceeds of the New Bonds to pay a portion of the interest coming due on the New Bonds; to fund the 2020 Reserve Sub-Account in an amount equal to the 2020 Reserve Requirement, which may be satisfied through the purchase of the Reserve Surety, if any; to pay certain costs of issuance of the New Bonds, including the premiums for the Bond Insurance Policy and/or the Reserve Surety, if any; and for the above-described purposes; provided, that the references to "2020" in the definitions and capitalized terms included herein and in the agreements authorized by this Ordinance may be modified to reflect the calendar year in which the New Bonds are issued, if other than 2020.

The City, for the purposes of the financing contemplated by the Base Lease and Conveyance Agreement, the Installment Purchase and Use Agreement and the Trust Agreement, represents that it currently owns or will own prior to the issuance of the New Bonds the 2020 Real Property and all of such 2020 Real Property is or will be located within the geographic boundaries of the City.

Pursuant to the Base Lease and Conveyance Agreement, the City will lease the 2020 Real Property and will convey the Conveyed Improvements to the Corporation for the Base Lease Term. Pursuant to the Installment Purchase and Use Agreement, the Corporation will sell the 2020 Facilities to the City and upon payment by the City of Base Payments, title to an undivided interest in the 2020 Facilities equal to the percentage of the Purchase Price represented by such payment will transfer from the Corporation to the City without further action by either party.

Pursuant to the Trust Agreement, the Corporation's right to receive the Base Payments and rights to receive certain of the Additional Payments, as provided in the Trust Agreement and in the Installment Purchase and Use Agreement (with certain exceptions as provided in the Trust Agreement and the Installment Purchase and Use Agreement), will be assigned to the Trustee. The New Bonds will be authenticated and delivered by the Trustee pursuant to the Trust Agreement.

The net proceeds from the sale of the New Bonds will be disbursed in accordance with the provisions of the Trust Agreement for the purposes set forth in Section 2(h) above.

The City will accept title to the property financed by the New Bonds, including any additions to such property, when the New Bonds are discharged.

Section 4. Approval of the Base Lease and Conveyance Agreement. The form, terms and provisions of the Base Lease and Conveyance Agreement, a copy of which is attached hereto as Exhibit B, be and hereby are approved. The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any of them acting alone (each, an "Authorized Officer"), be and is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the City Clerk is hereby authorized, empowered and directed to attest the Base Lease and Conveyance Agreement in the name and on behalf of the City, and thereupon to cause the Base Lease and Conveyance Agreement to be delivered to the Corporation and to cause the Base Lease and Conveyance Agreement (or memoranda thereof) to be recorded in the office of the Register of Deeds for Richland County. The Authorized Officers, with advice from the City's attorneys, are each hereby delegated the authority to approve such changes or revisions in the form, terms and provisions of the Base Lease and Conveyance Agreement as may be appropriate for the financing plan contemplated thereby. The execution thereof shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of Base Lease and Conveyance Agreement shall be executed in the same manner.

<u>Section 5.</u> Approval of the Installment Purchase and Use Agreement. The form, terms and provisions of the Installment Purchase and Use Agreement, a copy of which is attached hereto as <u>Exhibit C</u>, be and hereby are approved. Each Authorized Officer is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the City Clerk is hereby authorized, empowered and directed to attest the Installment Purchase and Use Agreement in the name and on behalf of the City, and thereupon to cause the Installment Purchase and Use Agreement to be delivered to the Corporation and to cause the Installment Purchase and Use Agreement (or memoranda thereof) to be recorded in the office of the Registrar of Deeds for Richland County. The Authorized Officers, with advice from the City's attorney, are each delegated the authority to approve such changes or revisions in the form, terms and provisions of the Installment Purchase and Use Agreement as may be appropriate for the financing plan contemplated thereby. The execution thereof shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of Installment Purchase and Use Agreement now before this meeting. Any amendment to the Installment Purchase and Use Agreement shall be executed in the same manner.

<u>Section 6.</u> <u>Approval of the Trust Agreement.</u> The form, terms and provisions of the Trust Agreement, a copy of which is attached hereto as <u>Exhibit D</u>, are hereby approved. The City does hereby approve and consent to the Trust Agreement with such changes in the form, terms and provisions thereof as the authorized representatives of the Corporation shall approve.

Section 7. Form of Purchase Contract. The form of the Purchase Contract, a copy of which is attached hereto as Exhibit E. Each Authorized Officer is hereby authorized, empowered and directed to execute, acknowledge and deliver the Certificate of the City which is attached as an exhibit to the Purchase Contract in the name of and on behalf of the City. The Authorized Officers, with the advice from the City's bond counsel and financial advisor, are each hereby delegated the authority to select the Underwriter and approve such changes or revisions in the form, terms and provisions of the Certificate of the City as may be appropriate for the financing plan contemplated thereby. The execution thereof shall

constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Certificate of the City now before this meeting.

Section 8. Preliminary Official Statement. The form and content of the Preliminary Official Statement to be dated as determined by the Underwriter, pertaining to the sale of the New Bonds by the Underwriter, and the distribution of the same, is hereby approved in substantially the form attached hereto as Exhibit F, together with such changes, modifications, additions or deletions as may be approved by any Authorized Officer. The Authorized Officers are each hereby authorized to approve the form of the final Official Statement pertaining to the sale of the New Bonds by the Underwriter(s) which may take the form of one or more documents and to execute and deliver the same (including any amendments or supplements thereto), and to deem said Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule.

<u>Section 9.</u> <u>Trustee, Registrar and Paying Agent</u>. The Council hereby authorizes any Authorized Officer to select the Trustee (including also the capacities of Registrar and Paying Agent) under the terms and conditions provided in the Trust Agreement.

Section 10. Authorization. The Mayor, City Manager, Assistant City Manager for Finance and Economic Services, City Clerk, and City Attorney are fully empowered and authorized to take such further action and to execute and deliver such additional documents as may be necessary to effect the execution and delivery of the Base Lease and Conveyance Agreement, the Installment Purchase and Use Agreement, the Trust Agreement, the Assignment Agreement and the Certificate to the Purchase Contract in accordance with the terms and conditions therein set forth, and the transactions contemplated hereby and thereby. The actions of such officers in executing and delivering any of such documents, in such form as the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together shall approve, is hereby fully authorized. Each of the Authorized Officers is fully empowered and authorized to enter into any investment agreements, repurchase agreements or forward delivery agreements or other contracts with respect to funds to be deposited in the 2020 Reserve Sub-Account or the Project Fund (as defined in the Trust Agreement). Each of the Authorized Officers is hereby authorized and empowered to execute and deliver any documents necessary for the Corporation to purchase the Bond Insurance Policy and/or the Reserve Surety, if any, from the Bond Insurer, if any, with respect to the New Bonds. The authorization conferred herein shall extend to and include, but not be limited to, the documents and certificates reasonably expected to be necessary for the closing of the financing transaction, including, but not limited to, deeds or other instruments of conveyance, a general certificate of the City, a certificate as to the Official Statement, and any designation of City representatives.

Section 11. Delegation of Authority to Authorized Officers. Notwithstanding any other provisions of this Ordinance, the Authorized Officers are authorized to cooperate with the Corporation in the solicitation from qualified banking institutions and/or proposals to purchase the 2020 Bonds. The authority to approve the placement of the Bonds with a banking institution is hereby delegated to any of the Authorized Officers:

(a) That such a transaction is in the best interest of the City;

(b) The terms and conditions of such a transaction are substantially similar to the terms and conditions set forth in this ordinance; and

(c) Approval of such a transaction is recommended by the City's bond counsel and financial advisor.

Section 12. Federal Tax Covenant; Delegation Regarding Tax Matters; Official Intent. The City hereby covenants and agrees with the Holders of the New Bonds, if any, that are issued as tax-exempt obligations under the Code (collectively, the "Tax-Exempt Bonds"), that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax-Exempt Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds. The City further covenants and agrees with the Holders of the Tax-Exempt Bonds that no use of the proceeds of the Tax-Exempt Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City hereby shall:

(a) comply with the applicable provisions of Sections 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the New Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and

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(c) make such reports of such information at the times and places required by the

Code.

This Ordinance shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City from a portion of the proceeds of the Tax Exempt Bonds or other tax-exempt bonds issued by or on behalf of the City for such purposes (the "Reimbursement Bonds") for expenditures it anticipates incurring (the "Expenditures") with respect to the 2020 Projects prior to the issuance of the Reimbursement Bonds. The Expenditures which are reimbursed are limited to Expenditures which are: (1) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principles; or (2) certain *de minimis* or preliminary expenditures with respect to the acquisition of the 2020 Projects will be the City's [general fund]. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date such project was placed in service, but in no event more than three (3) years after the original Expenditures.

<u>Section 13</u>. <u>Severability</u>. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

<u>Section 14</u>. <u>Repeal of Conflicting Ordinances</u>. All orders, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the execution and delivery of any of the agreements approved by this Ordinance are, to the extent of such conflict, hereby repealed.

[Signature Page to follow]

Enacted by the City Council of the City of Columbia, South Carolina, this 1st day of December,



CITY OF COLUMBIA, SOUTH CAROLINA

By: N Mayor

Date of First Reading: November 17, 2020

Date of Second Reading: December 1, 2020

[Signature page]

EXHIBIT A

Description of 2020 Projects and Ancillary Projects

2020 Projects – the acquisition, construction, renovation and equipment of the real property and improvements thereon known as 1401 Main Street, in downtown Columbia, consisting of a 13-floor office building consisting of more than 200,000 square feet of usable space, to be used by various departments of the City and/or leased to third-party tenants thereof ("Municipal Complex"), including reimbursement for the costs thereof.

<u>Ancillary Projects</u> – the acquisition, construction, renovation and equipment of various capital improvements and renovations to the City's public facilities, land acquisition costs, and any costs associated with the acquisition or lease of security cameras or video surveillance services from third parties to the City, including reimbursement for the costs thereof.

<u>EXHIBIT B</u>

Form of Base Lease and Conveyance Agreement

BASE LEASE AND CONVEYANCE AGREEMENT

between

CITY OF COLUMBIA, SOUTH CAROLINA as lessor

and

COLUMBIA FACILITIES CORPORATION as lessee

Dated _____, ____

All rights, title and interest of Columbia Facilities Corporation in this Base Lease and Conveyance Agreement have been assigned to _______, as Trustee (the "Trustee") under the Trust Agreement dated of even date herewith, and are subject to the security interest of the Trustee.

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BASE LEASE AND CONVEYANCE AGREEMENT

THIS BASE LEASE AND CONVEYANCE AGREEMENT dated

(the "Base Lease") made and entered into by and between City of Columbia, South Carolina, a political subdivision of the State of South Carolina (the "City"), as lessor, and Columbia Facilities Corporation, a nonprofit corporation duly organized under the laws of the State of South Carolina (the "Corporation"), as lessee,

WITNESSETH

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

WHEREAS, the City is a political subdivision of the State of South Carolina (the "State") and is authorized under the provisions of Section 5-7-30, Code of Laws of South Carolina 1976, as amended (the "Act"), to enter into this Base Lease; and

WHEREAS, the City desires to lease the 2020 Real Property and convey the Conveyed Improvements (as such terms are defined herein) to the Corporation so that the Corporation may provide funds for the acquisition, construction, renovation and equipping of the 2020 Projects (as defined herein) which, together with certain improvements (including the Conveyed Improvements), fixtures and personal property located on the 2020 Real Property, are defined herein as the "2020 Facilities" and are to be sold to the City under the terms of an Installment Purchase and Use Agreement dated of even date herewith (the "Purchase and Use Agreement") between the Corporation and the City and provide funds to the City in the form of Base Lease Rent to refund the Bonds to be Refunded and to defray the costs of the Ancillary Projects (as such terms are defined in the Purchase and Use Agreement); and

WHEREAS, the payments to be made under the Purchase and Use Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to _______, as trustee (the "Trustee") pursuant to the terms of a Trust Agreement dated of even date herewith (the "Trust Agreement"), between the Corporation and the Trustee, in order to secure and provide a source of payment for the Series 2020 Bonds (as described in the Trust Agreement), the proceeds of which are to be used to defray the costs of the 2020 Projects; and

WHEREAS, the City desires to enter into this Base Lease in order to achieve the foregoing purposes;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements, including the payment of the Base Lease Rent (as hereinafter defined) herein set forth, the City and the Corporation do hereby covenant and agree as follows

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions of Words and Terms. Capitalized terms not otherwise defined herein have the meanings set forth in the Trust Agreement or the Purchase and Use Agreement, as the context would allow. In addition, the following terms shall have the meanings set forth below:

"2020 Facilities" has the meaning in the Purchase and Use Agreement.

"2020 Real Property" means the real property described in <u>Exhibit A</u> hereto, as the same may be amended, modified or supplemented from time to time pursuant hereto.

"Act" means Section 4-9-30, Code of Laws of South Carolina 1976, as amended.

"Additional Real Property" means any real property in addition to the 2020 Real Property that is or will become the site of Additional Facilities (as defined in the Trust Agreement) and made subject to this Base Lease.

"Base Lease Rent" means those items referred to as such in Section 3.4 of this Base Lease.

"Base Lease Term" means the term of this Base Lease which ends on the earlier of (i) ______ 1, _____, or (ii) the date on which the Series 2020 Bonds are discharged within the meaning of paragraph (d) under Section 3.18 of the Trust Agreement.

"Base Lease" means this Base Lease and Conveyance Agreement dated of even date herewith, between the City and the Corporation, as the same may be amended, modified or supplemented from time to time.

["Bond Insurer" means ______ or any successor thereto, as issuer of the Policy.]

"City" means City of Columbia, South Carolina.

"Conveyed Improvements" means those certain improvements presently existing on the 2020 Real Property, as described in <u>Exhibit B</u> hereto, as the same may be amended to include those certain improvements existing on real property (including Additional Real Property) which becomes 2020 Real Property in the future, at the time of such amendment.

"Corporation" means Columbia Facilities Corporation, a nonprofit corporation formed under the laws of the State of South Carolina, and its successors and assigns.

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

"Council" means the City Council of the City of Columbia, South Carolina, as the governing body of the City, and any successor body.

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

"Event of Default" means (a) with respect to the Purchase and Use Agreement, any Event of Default as defined in Section 8.1 of the Purchase and Use Agreement, and (b) with respect to the Trust Agreement, any Event of Default as defined in Section 7.1 of the Trust Agreement.

"Fiscal Year" means the 12-month period adopted by the City as its fiscal year for financial reporting purposes. Currently, such Fiscal Year for the City begins on July 1 of each year.

"Installment Payments" means those payments required to be made by the City by Sections 4.1, 4.2 and 4.4 of the Purchase and Use Agreement.

"Ordinance" means Ordinance 2020-____ enacted by the Council on ______, authorizing the City's execution and delivery of this Base Lease and the Purchase and Use Agreement and approval of the Trust Agreement.

["Policy" means the municipal bond insurance policy issued by the Bond Insurer, relating to the Series 2020 Bonds.]

"Purchase and Use Agreement" shall mean the Installment Purchase and Use Agreement dated of even date herewith between the Corporation and the City, as the same may be amended, modified or supplemented from time to time.

"Series 2020 Bonds" means \$_____ principal amount Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020.

"State" means the State of South Carolina.

"Trust Agreement" means the Trust Agreement dated of even date herewith by and between the Corporation and the Trustee, as the same may be amended, modified or supplemented from time to time.

"Trust Estate" means the Trust Estate described in the Granting Clauses of the Trust Agreement.

"Trustee" means ______, a banking association or corporation organized and existing under the laws of the United States, and its successor or successors and any other trustee which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Trust Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document.

SECTION 1.3. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by accounting principles generally accepted in the United States as from time to time in effect.

ARTICLE II REPRESENTATIONS

SECTION 2.1. Representations by the City. The City represents, warrants and covenants as follows:

(a) The City is a political subdivision of the State.

(b) The conveyance of title to the Conveyed Improvements and the demise and lease of the 2020 Real Property by the City to the Corporation, as provided in this Base Lease, in order to allow the Corporation to pay the Base Lease Rent and to provide for the construction of the 2009 Projects and the Ancillary Projects, and the sale of the 2020 Facilities to the City pursuant to the Purchase and Use Agreement has been undertaken to enable the City to provide or improve suitable public facilities in the City.

(c) The Council has full power and authority to enact the Ordinance and the City has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.

(d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound.

(e) The City has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the City's interests in the 2020 Real Property and the 2020 Facilities shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Base Lease or the Purchase and Use Agreement.

(f) The City has good, valid and marketable title and is the fee owner of the 2020 Real Property existing on the date hereof. Prior to the conveyance of the Conveyed Improvements to the Corporation pursuant to Section 3.1 hereof, any improvements on the 2020 Real Property existing on the date hereof are free and clear of all liens, encumbrances and restrictions (including, without limitation, leases) other than Permitted Encumbrances.

SECTION 2.2. Representations by the Corporation. The Corporation represents, warrants and covenants as follows:

(a) The Corporation is a nonprofit corporation duly incorporated under the laws of the State and has corporate power to enter into this Base Lease, the Purchase and Use Agreement and the Trust Agreement. By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Base Lease, the Purchase and Use Agreement and the Trust Agreement.

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

(c) To provide funds to defray the cost of the 2009 Projects, to pay the initial payment of the

Base Lease Rent to refund all of the outstanding principal amount of the Bonds to be Refunded and to defray the cost of the Ancillary Projects and to pay certain costs of issuance related to the Series 2020 Bonds, the Corporation has entered into the Trust Agreement simultaneously with the execution hereof, pursuant to which Trust Agreement it is issuing the Series 2020 Bonds payable from and secured by the Installment Payments under the Purchase and Use Agreement.

ARTICLE III LEASE OF THE 2020 REAL PROPERTY AND CONVEYANCE OF IMPROVEMENTS

SECTION 3.1. Transfer of Conveyed Improvements and Lease of the 2020 Real Property. The City hereby demises and leases to the Corporation and the Corporation hereby leases from the City the 2020 Real Property for a Base Lease term which ends on the expiration of the Base Lease Term for the rentals and other consideration set forth in Section 3.4 hereof and in accordance with the provisions of this Base Lease. The City hereby conveys the Conveyed Improvements to the Corporation and the Corporation hereby accepts such conveyance from the City. The parties hereto agree to amend <u>Exhibit A</u> to this Base Lease, from time to time, to specifically reference any additional 2020 Real Property (including Additional Real Property) owned or acquired by the City which may become subject to this Base Lease, by execution of a Supplement to Base Lease and Conveyance Agreement, in substantially the form of <u>Exhibit C</u> attached hereto.

SECTION 3.2. Purchase of the 2020 Facilities. Pursuant to the terms of the Purchase and Use Agreement, the Corporation will convey title to the 2020 Facilities to the City, but subject to the terms of the Trust Agreement and the reservation of certain rights under this Base Lease.

SECTION 3.3. Assignments, Subleases and Mortgages. Except as contemplated by the Trust Agreement or permitted by the Purchase and Use Agreement, the Corporation may not (a) mortgage or otherwise encumber or assign its rights under this Base Lease, (b) lease, assign, transfer or otherwise dispose of its interest in the 2020 Real Property or the 2020 Facilities or any portion thereof or (c) remove, modify or alter the 2020 Real Property or the 2020 Facilities, without the consent of the City [and the Bond Insurer].

SECTION 3.4. Rent and Other Consideration. As and for rental hereunder and in consideration for the leasing of the 2020 Real Property to the Corporation hereunder, the Corporation agrees (a) to pay to the City (1) from the proceeds of the Series 2009 Bonds an aggregate sum of \$______ (representing an initial payment of the Base Lease Rent), which the City hereby covenants will be used to refund the Bonds to be Refunded and to defray the cost of acquisition, construction, renovation, improvement and equipping of all or a portion of the Ancillary Projects pursuant to the procedures set forth in Section 5.3(d) of the Trust Agreement, and (2) an annual Base Lease Rent of One Dollar per year and (b) to fulfill its obligations with respect to the 2020 Facilities as provided in the Purchase and Use Agreement.

SECTION 3.5. Taxes and Insurance. The City shall pay and have responsibility for all taxes on and insurance of the 2020 Real Property and the 2020 Facilities. All insurance shall provide that the proceeds shall be payable to the City, the Corporation or the Trustee as their interests may appear.

SECTION 3.6. Granting of Easements, Rights of Way, Releases and Substitutions of Property. From time to time during the term hereof and so long as there is not an existing Event of Default under the Purchase and Use Agreement and there has not occurred an Event of Nonappropriation that has not been waived by the Corporation or the Trustee [(with the prior written consent of the Bond Insurer, if applicable)], the Corporation, at the request of the City, may execute such instruments as are necessary to provide for the granting of easements or rights of way for road construction, utilities or in such other instances as the City certifies are not inconsistent or incompatible with the continued use of the balance of the 2020 Real Property for their intended purposes. Such instruments may[, provided the Bond Insurer shall consent thereto (which consent shall not be unreasonably withheld),] include a termination of this Base Lease with respect to such portion of the 2020 Real Property as is affected thereby or an acceptance or acknowledgment of the right of the grantee of any such easement or right-of-way to continue to use such property notwithstanding the exercise of any rights or remedies afforded to the Corporation hereunder or under the Purchase and Use Agreement. Any request from the City hereunder shall be accompanied by copies of any instruments proposed to be executed together with a certificate from the City to the effect that (a) the continued use of the 2020 Real Property affected thereby will not be impaired or hampered thereby; (b) access to 2020 Real Property for ingress and egress will be adequate for the purposes for which the 2020 Real Property is intended to be used; and (c) the value of the 2020 Real Property to the City will not be significantly diminished thereby.

The Corporation may also[, with the consent of the Bond Insurer,] terminate this Base Lease with respect to any portion of the 2020 Real Property deemed excess or unneeded for the continued operation of the 2020 Facilities and the related facilities for the purposes for which they were designed or are then being used, and release its interest in such portion to the City, upon receipt by the Corporation of the following: (a) a plat showing the location of the 2020 Facilities and related facilities and the portion of the 2020 Real Property deemed excess or unneeded; (b) an amendment to <u>Exhibit A</u> hereto revising the description of the affected parcel of property; (c) a certificate from an engineer or architect stating that the remaining 2020 Real Property will be adequate for the continued operation of the 2020 Facilities and related facilities for the purpose for which they were designed or are then being used including a certification that there will be adequate access to the remaining 2020 Real Property being released from the provisions hereof is excess to or unneeded for the continued operation of the 2020 Facilities and related facilities for the purposes for which they were designed or are then being used including a certification from the City that the portion of the 2020 Real Property being released from the provisions hereof is excess to or unneeded for the continued operation of the 2020 Facilities and related facilities for the purposes for which they were designed or are then being used.

Notwithstanding the foregoing paragraph, the Corporation may also, with the consent of the Bond Insurer,] terminate this Base Lease with respect to any portion of the 2020 Real Property and release its interest in such portion to the City, if the remaining 2020 Real Property subject to this Base Lease (and accompanying 2020 Facilities owned or deemed owned by the Corporation pursuant to the Purchase and Use Agreement) have an insured value in excess of 100% of the outstanding principal amount of the Bonds, upon receipt by the Corporation of the following: (a) a plat showing the location of the 2020 Facilities and related facilities and the portion of the 2020 Real Property to be released; (b) an amendment to Exhibit A hereto revising the description of the affected parcel of property; (c) a certificate from an engineer or architect stating that the remaining 2020 Real Property will be adequate for the continued operation of the 2020 Facilities and related facilities for the purpose for which they were designed or are then being used including a certification that there will be adequate access to the remaining 2020 Real Property for ingress and egress; and (d) a certificate from the City (which may be based on information from its insurer) as to the then-current insured values of all of the 2020 Real Property (including the 2020 Real Property to be released) and 2020 Facilities and demonstrating that the insured values of the 2020 Real Property and 2020 Facilities, after termination of such released portion of the 2020 Real Property contemplated hereby, will be in excess of 100% of the outstanding principal amount of the Bonds.

With respect to any particular item of 2020 Real Property, the City may[, with the consent of the Bond Insurer,] substitute another item of 2020 Real Property under the conditions set forth in Section 5.1(c) of the Purchase and Use Agreement. The City shall not be obligated to compensate the

Corporation for the removal of any property or for any conveyance or grant of an easement or right-ofway under the provisions hereof and any consideration paid in connection therewith shall be turned over to the City so long as there is not an existing Event of Default under the Purchase and Use Agreement and no Event of Nonappropriation has occurred that has not been waived by the Trustee. The Corporation shall have no obligation or responsibility to prepare or record any instrument authorized hereunder.

ARTICLE IV TERMINATION

SECTION 4.1. Termination.

(a) This Base Lease shall terminate upon the completion of the Base Lease Term; provided, however, in the event the City exercises the option to purchase the 2020 Facilities as provided in Section 9.1(a) of the Purchase and Use Agreement and satisfies the conditions thereof, then this Base Lease shall be considered terminated through merger of the leasehold interest with the interest of the City and, provided further, that upon any partition of the 2020 Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, this Base Lease shall be terminated with respect to that portion of the 2020 Real Property (the "City Real Property") relating to any City Facilities (as defined in the Purchase and Use Agreement) and the City Real Property shall no longer be subject to this Base Lease and the Corporation shall have no interest therein.

(b) The Corporation agrees, upon any termination or completion of the Base Lease Term or the exercise by the City of its option to purchase as provided in Section 9.1(a) of the Purchase and Use Agreement, to quit and surrender the 2020 Real Property and that all title and interest in the 2020 Facilities and the 2020 Real Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances. The Corporation agrees, upon any partition of the 2020 Facilities provided for in Section 2.4 of the Purchase and Use Agreement, to quit and surrender the City Real Property and that all title and interest in the City Real Property shall vest in the City free and clear of this Base Lease and any other encumbrances.

If an Event of Default under the Purchase and Use Agreement occurs or if the City fails to continue the Purchase and Use Agreement for the entire term thereof for any reason, the Corporation shall have the right to possession of the portion of the 2020 Real Property (the "Corporation Real Property") relating to the Corporation Facilities (as defined in the Purchase and Use Agreement) as the result of a partition as provided for in Section 2.4 of the Purchase and Use Agreement for the remainder of the Base Lease Term and shall have the right to sublease the Corporation Facilities or transfer its leasehold interest in the Corporation Real Property and in this Base Lease upon whatever terms and conditions it deems prudent; provided that the Corporation Facilities shall always be operated for a civic or public purpose and in compliance with all applicable governmental rules, regulations and orders. Both parties acknowledge that the City has an insurable interest in the Corporation Facilities but not in any additions, alterations, furnishings and fixtures provided in connection with the use of the Corporation Facilities by the Corporation or any person to whom the Corporation enters into a lease, license or other such agreement providing for occupancy temporary or long-term. Therefore, the City's obligation to provide insurance and pay taxes under the provisions of Section 3.5 hereof shall be limited to the 2020 Real Property and the 2020 Facilities as they existed as of the Partition Date (as defined in the Purchase and Use Agreement) and the Corporation shall provide the City with adequate public liability and comprehensive risk insurance covering any use of the Corporation Facilities, and shall pay all taxes relating to any additions, alterations, furnishings and fixtures located therein for the remainder of the Base Lease Term and will furnish the City with evidence thereof. In the event that the Corporation shall

receive a payment for the transfer of its leasehold interest or total rental payments for subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the principal amount of the Outstanding Series 2020 Bonds at the time of termination or default and the interest and premium, if any, due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Corporation, its assigns or its lessee.

SECTION 4.2. Default by the Corporation. The City shall not have the right to exclude the Corporation from the 2020 Real Property or the 2020 Facilities or to take possession of the 2020 Real Property or the 2020 Facilities (except pursuant to the Purchase and Use Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term notwithstanding any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's entire interest in the 2020 Facilities granted to the City in Article IX of the Purchase and Use Agreement and after the payment of the purchase price specified therein and the other sums payable under the Purchase and Use Agreement, the Corporation fails to convey its interest in the 2020 Facilities to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation hereunder, the City may maintain an action, if permitted in equity, for specific performance.

SECTION 4.3. Quiet Enjoyment. Subject to the Purchase and Use Agreement, the Corporation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the 2020 Real Property and the 2020 Facilities.

SECTION 4.4. No Merger. Except as expressly provided herein, no union of the interests of the City and the Corporation herein or in the Purchase and Use Agreement shall result in a merger of this Base Lease and the title to the 2020 Facilities.

SECTION 4.5. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are fully corporate liabilities of the Corporation as a corporation, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, director and officer of the Corporation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Lease Rent. No incorporator, member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 4.6. Maintenance of Premises. Subject to the provisions of the Purchase and Use Agreement, the Corporation covenants that it will maintain or cause to be maintained the 2020 Real Property, and will not cause, permit or suffer to be caused or permitted waste thereto. At the conclusion of the term hereof, the 2020 Real Property shall be returned to the City, together with the 2020 Facilities and any other improvements thereto, in substantially the condition thereof as of the date hereof or the date the Additional Real Property is added hereto, subject to normal wear and tear. Except as contemplated under the Purchase and Use Agreement, the Corporation shall not make or consent to any other improvements, modifications or alterations to the 2020 Real Property or the 2020 Facilities or any portion thereof, or remove any part thereof without the written consent of the City. Prior to an Event of Nonappropriation that has not been waived, in the event of any damage, destruction or condemnation of any of the 2020 Real Property, the provisions of Article VII of the Purchase and Use Agreement shall be deemed to apply with respect to the 2020 Real Property in like manner as provided therein with respect to 2020 Facilities, and the net proceeds from any insurance policies, performance bonds or condemnation awards shall be applied in the same manner for the benefit of 2020 Real Property as are Net Proceeds

under Section 7.2 of the Purchase and Use Agreement. After an Event of Nonappropriation that has not been waived, in the event of any damage, destruction or condemnation of any of the 2020 Real Property, the proceeds of any insurance or condemnation awards allocable to the Corporation's interest in the 2020 Real Property shall be applied as directed by the Trustee either in the manner provided in Section 7.2 of the Purchase and Use Agreement or to the retirement of any Series 2020 Bonds and the balance, if any, remaining thereafter to such use as the City may direct.

ARTICLE V CONTROL OF 2020 REAL PROPERTY AND 2020 FACILITIES DURING BASE LEASE TERM

SECTION 5.1. Control of 2020 Real Property and 2020 Facilities During Base Lease Term. Subject to the Purchase and Use Agreement and Section 4.6 hereof, during the Base Lease Term, the Corporation shall have complete control over the 2020 Real Property and the 2020 Facilities and their operation.

ARTICLE VI MISCELLANEOUS

SECTION 6.1. Civic or Public Purpose. Notwithstanding anything in this Base Lease to the contrary, during the term of this Base Lease, neither the Corporation nor any assignee of the Corporation's interest hereunder nor any sublessee of the Corporation shall operate the 2020 Real Property and the 2020 Facilities for any purpose which is not a civic or public purpose and in compliance with all applicable governmental rules, regulations and orders.

SECTION 6.2. Covenants Running with the 2020 Real Property. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the 2020 Real Property and shall attach and bind and inure to the benefit of the City and the Corporation and their respective heirs, legal representatives, successors and assigns, except as otherwise provided herein.

SECTION 6.3. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Corporation and their respective successors and assigns. [Subject to the provisions of Section 13.1 of the Trust Agreement, the provisions of this Base Lease (a) that require that consultation with the Bond Insurer is, or the consent or approval of the Bond Insurer be obtained as, a pre-condition to another party taking a certain action or (b) which grant special rights, powers or obligations to the Bond Insurer shall be in effect for so long as the Policy is in effect and no Insurer Default (as defined in the Trust Agreement) has occurred and is continuing. The Bond Insurer shall be a third party beneficiary hereof.]

SECTION 6.4. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

SECTION 6.5. Amendment, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent, if and to the extent required by Article XI of the Trust Agreement, of the Trustee, other than (a) as provided in Section 3.1 hereof, to reference any additional 2020 Real Property (including Additional Real Property) or (b) as provided in Section 3.6 hereof in connection with the granting of easements, releases, substitutions and additions of property; provided, that the Trustee shall be entitled to rely without independent investigation upon the certificates, opinions and other documents delivered to it pursuant to such sections. [This Base Lease shall not be amended without the prior written consent of the Bond Insurer, if and to

the extent required by the Trust Agreement.]

SECTION 6.6. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 6.7. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

SECTION 6.8. Captions. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

SECTION 6.9. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Base Lease to be given to or filed with the City, the Corporation[, the Bond Insurer] or the Trustee if the same is given or filed in the manner and at the addresses specified in the Trust Agreement.

SECTION 6.10. Successors and Assigns. All covenants, promises and agreements contained in this Base Lease by or on behalf of or for the benefit of the City or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

[Signature page follows]

WITNESS the due execution of this Base Lease and Conveyance Agreement effective as of the date first above written.

LESSOR:

(SEAL)

WITNESSES:

By:_____ Mayor

Attest:___

Clerk to Council

CITY OF COLUMBIA, SOUTH CAROLINA

LESSEE:

(SEAL)

WITNESSES:

COLUMBIA FACILITIES CORPORATION

By:_____

President

Attest:

Secretary

STATE OF SOUTH CAROLINA)	
)	
COUNTY OF RICHLAND)	

PROBATE

Personally appeared before me the undersigned witness who on oath says, that (s)he saw the within named Columbia Facilities Corporation, by its duly authorized President and Secretary, sign, seal and as its act and deed deliver the within Base Lease and Conveyance Agreement, and that (s)he, together with the other witnesses whose signature appears above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of ______, 2020.

Name:______ Notary Public for South Carolina My Commission Expires:

STATE OF SOUTH CAROLINA)	
)	PROBATE
COUNTY OF RICHLAND)	

PERSONALLY appeared before me the undersigned witness, who, upon first being duly sworn, deposes and says: that (s)he saw City of Columbia, South Carolina by its duly authorized Mayor and Clerk to Council, sign the foregoing Base Lease and Conveyance Agreement, and that (s)he, with the other subscribing witness, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 2020.

Name:______ Notary Public for South Carolina My Commission Expires:______

EXHIBIT A

LEGAL DESCRIPTION OF THE 2020 REAL PROPERTY

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

EXHIBIT B

CONVEYED IMPROVEMENTS

All existing improvements located on the 2020 Real Property.

EXHIBIT C

FORM OF SUPPLEMENT TO BASE LEASE AND CONVEYANCE AGREEMENT (ADDITIONAL 2020 REAL PROPERTY)

THIS SUPPLEMENT TO BASE LEASE AND CONVEYANCE AGREEMENT (this "Supplement") dated ______, ____, by and between City of Columbia, South Carolina, a political subdivision duly existing under the laws of the State of South Carolina, as lessor (the "City"), and Columbia Facilities Corporation, a South Carolina nonprofit corporation duly organized and existing under the laws of the State of South Carolina, as lessee (the "Corporation").

WITNESSETH

WHEREAS, the City and the Corporation have entered into that certain Base Lease and Conveyance Agreement dated ______, ____ (the "Base Lease"), and pursuant to Section 3.1(a) thereof, enter into this Supplement for the purposes set forth herein (with all capitalized terms used in this Supplement having the meanings set forth in the Base Lease).

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

1. <u>Addition of Additional Real Property to 2020 Real Property.</u> The Base Lease is hereby amended to delete <u>Exhibit A</u> attached thereto and replace it in its entirety with <u>Exhibit A-1</u> attached hereto.

Except as amended herein, the Base Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have hereunto set forth their hands on the date first written above.

WITNESSES:	CORPORATION:		
	COLUMBIA FACILITIES CORPORATION		
	By: Its:		
	By: Its:		
	CITY:		
	CITY OF COLUMBIA, SOUTH CAROLINA		
	By: Its:		
	By: Its:		

EXHIBIT C

Form of Installment Purchase and Use Agreement

INSTALLMENT PURCHASE AND USE AGREEMENT

between

COLUMBIA FACILITIES CORPORATION as Seller

and

CITY OF COLUMBIA, SOUTH CAROLINA as Buyer

§______ Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020

Dated _____, ____

All rights, title and interest of Columbia Facilities Corporation in this Installment Purchase and Use Agreement (with certain exceptions) have been assigned to ______, as Trustee (the "Trustee") under the Trust Agreement dated of even date herewith, and are subject to the security interest of the Trustee.

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INSTALLMENT PURCHASE AND USE AGREEMENT

This Installment Purchase and Use Agreement dated _____, ____(the "Purchase and Use Agreement"), is made and entered into by and between Columbia Facilities Corporation (together with its successors and assigns, the "Corporation"), a nonprofit corporation formed under the laws of the State of South Carolina (the "State"), as seller, and City of Columbia, South Carolina (the "City"), a political subdivision organized under the laws of the State, as buyer.

WITNESSETH

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

WHEREAS, the City is a political subdivision of the State and is authorized under the provisions of Section 5-7-30 of the South Carolina Code (the "Act"), to enter into this Purchase and Use Agreement; and

WHEREAS, the Corporation and the City have entered into a Base Lease and Conveyance Agreement dated of even date herewith (the "Base Lease") pursuant to which the City is leasing the 2020 Real Property and conveying the Conveyed Improvements (as such terms are defined in the Base Lease), to the Corporation so that the Corporation may provide for (i) the acquisition, construction, renovation and equipping from the proceeds of the Series 2020 Bonds of certain public facilities (the "2020 Projects"); and (ii) the payment to the City of the Base Lease Rent (as defined in the Base Lease) which will provide for the refunding of the Bonds to be Refunded and to provide the acquisition, construction, renovation and equipping of all or a portion of certain public facilities which are not subject to the Base Lease or this Purchase and Use Agreement (the "Ancillary Projects", as more particularly defined herein); and

WHEREAS, in order to provide funds to defray costs of the 2020 Projects and the payment of the Base Lease Rent, the Corporation will provide for the issuance of \$______ of its Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020, dated ______, ____ (the "Series 2020 Bonds") under and by the terms of a Trust Agreement dated of even date herewith (the "Trust Agreement") by and between the Corporation and ______, as trustee (the "Trustee"); and

WHEREAS, the City has agreed to make certain payments (the "Installment Payments") for the acquisition of the 2020 Facilities (as defined herein) and, pending such acquisition thereof, shall be entitled to the use and occupancy of the 2020 Real Property and the 2020 Facilities and certain other matters; and

WHEREAS, the rights to receive Installment Payments are being assigned by the Corporation to the Trustee under the Trust Agreement as security and the source of payment for the Series 2020 Bonds;

NOW, THEREFORE, for and in consideration of the undertaking of the Corporation to acquire, improve, construct and equip the 2020 Projects, to pay the initial payment of the Base Lease Rent to the City for the costs of refunding the Bonds to be Refunded and the Ancillary Projects, the undertaking of the City to pay the Installment Payments hereunder, the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Corporation and the City, intending to be legally bound, do hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Trust Agreement or the Base Lease, as the context would allow. In addition, the following terms shall have the meanings set forth below:

"2020 Facilities" means the Conveyed Improvements and other improvements constructed on the 2020 Real Property and the 2020 Projects, including fixtures and any future additions, modifications and substitutions to any facilities thereon and any personal property financed with the proceeds of the Series 2020 Bonds. The 2020 Facilities shall also mean Additional Facilities, if any, funded with the proceeds of Additional Bonds, but does <u>not</u> include the Ancillary Projects or Additional Ancillary Projects.

"2020 Projects" means the acquisition, construction, renovation and equipping of new public facilities as described on <u>Exhibit A</u> hereof, as the same may be amended from time to time. The 2020 Projects do not include the Ancillary Projects.

"2020 Real Property" means the respective parcels of real property, situated in the City and described in <u>Exhibit A</u> hereof, as the same may be amended, modified or supplemented from time to time pursuant hereto, and upon which the 2020 Facilities are located.

"Acquisition and Construction Contracts" means any acquisition or construction contract between the City, on behalf of the Corporation, and any contractor or other person or between any contractor or subcontractor and other person (under which contract the City has rights thereunder) with respect to any of the 2020 Projects to be financed with Bond Proceeds.

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

"Additional Facilities" means any public facilities of the City in addition to the 2020 Facilities proposed to be acquired, improved, renovated or constructed by the Corporation with the proceeds of Additional Bonds and made subject to this Purchase and Use Agreement.

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

"Additional Real Property" means any real property in addition to the 2020 Real Property that is or will become the site of Additional Facilities.

"Ancillary Projects" means the acquisition, construction, renovation or equipping of all or a portion of certain new facilities described on <u>Exhibit A</u> hereof or any other facility or lawful purpose which is identified in writing by the City to the Trustee, but not subject to the Base Lease or this Purchase and Use Agreement.

"Available Sources" means any legally available source being lawfully appropriated by the Council, including but not limited to [rental payments received by the City arising from the Municipal Complex Leases,] general fund monies and proceeds of general obligation debt.

"Base Lease" means the Base Lease and Conveyance Agreement dated of even date herewith, between the City and the Corporation, as the same may be amended, modified or supplemented from time to time.

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

"Bond Fund" means the fund of such name established pursuant to Section 5.3 of the Trust Agreement.

"Bond Insurer" means ______ or any successor thereto, as issuer of the Policy.

"Bond Proceeds" means the gross proceeds received from the issuance and sale of the Series 2020 Bonds.

"City Facilities" means that portion of the 2020 Facilities allocated to the City as the result of a partition under the provisions of Section 2.4 hereof.

"Completion Date" means the date on which the Corporation and the City provide the final requisition to the Trustee pursuant to Section 3.4(b) hereof.

"Conveyed Improvements" means those certain improvements presently existing on the 2020 Real Property, as more particularly described in <u>Exhibit B-2</u> hereof, as the same may be amended to include those certain improvements existing on real property (including Additional Real Property) which becomes 2020 Real Property in the future, at the time of such amendment.

"Corporation Facilities" means that portion of the 2020 Facilities allocated to the Corporation as the result of a partition under the provisions of Section 2.4 hereof.

"Council" means the City Council of the City, as the governing body of the City, and any successor body.

"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 superfund and environmental cleanup programs and laws and U.S. Department of Transportation regulations.

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

"Event of Nonappropriation" means the City's failure, for any reason, to specifically budget and appropriate moneys that may be lawfully used to pay, or enact an ordinance authorizing the issuance of general obligation bonds for the purpose of paying, all Installment Payments due under this Purchase and Use Agreement, by September 15 of the then current Fiscal Year or the City shall have provided written notice of its intention to do the same by June 30 of the previous Fiscal Year. The existence or nonexistence of an Event of Nonappropriation shall be deemed to occur on (a) September 15 of a year in which no such budget or ordinance shall have been adopted or enacted (as applicable), or (b) any earlier date on which the City gives official, specific written notice to the Corporation and the Trustee that the City will not appropriate funds that may be lawfully used in the next succeeding Fiscal Year for payment of Installment Payments; provided, however, that an Event of Nonappropriation may be waived as provided for in Section 4.7 herein.

"Facilities Component" means an entire building or other facility (including the main building or buildings) and any related auxiliary buildings comprising the 2020 Facilities, together with the portion of the 2020 Real Property on which such building or other facility is located.

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

"Force Majeure" means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies or terrorism; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials of any civil or military authority; insurrection; riots; landslides; earthquakes; flood; fire; storms; droughts; explosion; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the party seeking the benefit of force majeure and not due to its own negligence.

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

"Installment Payments" means the payments to be paid by the City pursuant to Sections 4.1, 4.2 and 4.4 hereof including Base Payments and Additional Payments.

["Municipal Complex Leases" means all leases of rentable space within the Municipal Complex (as defined in <u>Exhibit A</u> hereof) which exist on the date hereof and may be executed in the future from time to time, pursuant to which the City receives one or more rental payments from the tenants thereof.]

"Net Proceeds" when used with respect to any proceeds from policies of insurance required hereby or any condemnation award, or any proceeds resulting from default under, or recovery under performance and payment bonds related to, any Acquisition or Construction Contract relating to the 2020 Projects, or any proceeds from any liquidation of any part of the 2020 Facilities or the Ancillary Projects, 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.

"Partition Consultant" means a person, firm or corporation selected by the Trustee [(after consultation with the Bond Insurer, if applicable)], who or which is experienced in public finance and in the valuation of public facilities and is not a full-time employee of the Trustee, the Bond Insurer, the City or the Corporation.

"Partition Date" shall have the meaning given such term in Section 2.4 hereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to the provisions of Sections 4.1 and 4.2, respectively, of this Purchase and Use Agreement; (ii) the Security Documents; (iii) utility, access and other easements and rights-of-way, restrictions and exceptions which does not interfere with or impair the use of the 2020 Real Property or the 2020 Facilities, including rights or privileges in the nature of easements; (iv) any financing statements filed to perfect security interests pursuant to this Purchase and Use Agreement or the Trust Agreement; and (v) the matters described on <u>Exhibit C</u> hereto.

"Policy" means the municipal bond insurance policy issued by the Bond Insurer, relating to the Series 2020 Bonds.

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

"Purchase and Use Agreement" means this Installment Purchase and Use Agreement dated ______, ____, between the Corporation and the City, as the same may be amended, modified or supplemented from time to time.

"Purchase Option Price" means an amount equal to the amount required to defease or otherwise discharge all Series 2020 Bonds Outstanding under the Trust Agreement plus the amount of any Additional Payments which are due or accrued hereunder at the time which any purchase option hereunder is exercised.

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

"Security Documents" means this Purchase and Use Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Holders of the Series 2020 Bonds.

"Series 2010 Bonds" means the \$30,000,000 original principal amount Installment Purchase Revenue Bonds (City of Columbia Project) Series 2010, dated September 15, 2010, heretofore issued by the Corporation and presently outstanding in the principal amount of \$27,350,000.

"Series 2020 Bond" or "Series 2020 Bonds" means any or all of \$______ of the Corporation's Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020, dated of even date herewith, authorized by and secured under the Trust Agreement.

"State" means the State of South Carolina.

"Trust Agreement" means the Trust Agreement dated of even date herewith, between the Corporation and the Trustee, as the same may be amended, modified or supplemented from time to time.

"Waiver Period" means the period of time commencing on the date an Event of Nonappropriation is deemed to occur and ending on and including the date on the earlier of (i) the next following December 1 or (ii) the date on which the applicable Reserve Sub-Account (if any) of the Reserve Account becomes fully depleted by the Trustee pursuant to the provisions of a Supplemental Agreement (as defined in the Trust Agreement); provided, however, that a Reserve Sub-Account is deemed to be fully depleted when insufficient funds remain therein to make the payments required to be made to the Holders of the applicable series of Bonds on the subsequent Bond Payment Date.

SECTION 1.2. Terms Defined in the Trust Agreement. 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.

SECTION 1.3. City Representations, Warranties and Covenants. The City makes the following representations, warranties and covenants:

(a) The City is a political subdivision of the State and has full power and legal right to enter into this Purchase and Use Agreement and the Base Lease and to perform its obligations hereunder and thereunder. The City's actions in making and performing its obligations under this Purchase and Use Agreement and the Base Lease have been duly authorized by all necessary governmental action and will not violate or conflict with any law or governmental rule or regulation, or any mortgage, agreement, instrument or other document by which the City or its properties are bound.

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

(c) The City will take such action as is necessary to assure that the 2020 Projects are acquired completed, furnished and partially occupied by the City. In the event the amounts available from the proceeds from the Series 2020 Bonds appear to be insufficient for such purpose, the City will use its best efforts to take one or more of the following steps: (i) cooperate with the Corporation to make such modifications or changes in the 2020 Projects as will allow the cost thereof to be funded within the amount available from such Bond Proceeds; (ii) make arrangements with the Corporation for the sale of Additional Bonds; or (iii) provide for the payment of such costs from other sources legally available to the City.

(d) The City will take such action as is necessary to ensure that the proceeds of the Series 2020 Bonds, other than amounts set aside in the Trust Agreement for payment of costs of issuance, funding of reserves, payment of interest, or payment of Base Lease Rent, are applied solely for the payment of the costs of the 2020 Projects.

(e) [Except as provided in the last paragraph under Section 2.1 hereof, no portion of the 2020 Facilities or the Ancillary Projects which is financed with the proceeds of the Series 2020 Bonds which are issued as obligations the interest on which are excluded from gross income of the Holders thereof (the "Tax Exempt Bonds"), 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) Except as disclosed in the Official Statement for the Series 2020 Bonds, there is no fact which will materially and adversely affect the properties, activities, operations, revenues, prospects or condition (financial or otherwise) of the City, its status as a political subdivision of the State within the meaning of Section 103(c)(1) of the Code, its ability to own and operate its property in the manner such property is currently operated or its ability to perform its obligations under this Purchase and Use Agreement and the Base Lease.

(g) [The amounts, if any, spent by the City from its own funds to pay costs of the acquisition, renovation, improvement and construction of the 2020 Projects or the Ancillary Projects for which it intends to reimburse itself from Bond Proceeds of Tax Exempt Bonds were not expended more than 60 days prior to the date of the enactment by the Council of an ordinance authorizing the financing of the 2020 Projects and the Ancillary Projects, and expressing the intent to enter into this Purchase and Use 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 60 days prior to the date of enactment of an ordinance by the Council relating to the issuance of the Series 2020 Bonds.]

(h) Except as disclosed in the Official Statement for the Series 2020 Bonds, there are no proceedings pending or, to the knowledge of the City, threatened in writing against the City, 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 City, or the corporate existence or powers or ability of the City to enter into and perform its obligations under this Purchase and Use Agreement or the Base Lease.

(i) The execution and delivery of this Purchase and Use Agreement and the Base Lease (collectively, the "City Agreements"), and the consummation of the transactions provided for herein and therein, and compliance by the City with the provisions of the City 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 City; and

(ii) do not and will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, loan agreement or other agreement or instrument, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the City (other than this Purchase and Use Agreement) or any governmental restriction to which the City is a party or by which the City, 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 City Agreements or the City's ability to perform fully its obligations under the City 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 City, 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 Purchase and Use Agreement, and/or the passage of time or giving of notice or both, would constitute an Event of Default. The City 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 City 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 Purchase and Use Agreement is a legal, valid and binding obligation and agreement of the City, enforceable against the City in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity; anything herein to the contrary notwithstanding, this Purchase and Use Agreement is subject in its entirety to the right of the City to terminate this Purchase and Use Agreement and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Installment Payments, as provided in Sections 2.2, 4.6 and 4.7 hereof.

(1) The use and the operation of the 2020 Real Property and the 2020 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 2020 Real Property and the 2020 Facilities including, without limitation, Environmental Laws. The City has caused or will cause the 2020 Projects 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 City

will operate or will cause to be operated the 2020 Real Property and the 2020 Facilities in compliance with the requirements of all such laws, ordinances, rules and regulations, including, without limitation, Environmental Laws. The City further covenants and agrees to comply in all material respects with and materially conform to, or use its reasonable efforts to cause other persons whose obligations it is to so comply by contract or pursuant to law to comply in all material respects with and materially conform to all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and every applicable governmental authority, including Environmental Laws applicable to the 2020 Real Property and the 2020 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 2020 Real Property and the 2020 Facilities, including building and zoning codes and ordinances (collectively, the "Legal Requirements"), provided that the City shall not be in default hereunder so long as the City promptly after receiving an actual written notice of any noncompliance, files a copy thereof with the Trustee and the City commences and uses its diligent efforts to cause compliance with such Legal Requirements, as long as the failure to comply and conform does not subject the 2020 Real Property and the 2020 Facilities to any material danger of being forfeited or lost as a result thereof. The City possesses or will possess, and the City hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the 2020 Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the 2020 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 2020 Facilities. The City 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 2020 Facilities.

(m) The City has ratified, confirmed and approved the creation, existence, governance, purposes and activities of the Corporation and the issuance by the Corporation of the Series 2020 Bonds.

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

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

(p) To its knowledge, Hazardous Materials have not at any time been generated, used, treated, recycled, stored on, or transported to or from, or released, deposited or disposed of on the 2020 Real Property other than in material compliance at all times with all applicable Environmental Laws unless any such noncompliance would have a material adverse effect on the financial condition, business or operations of the City.

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

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

(c) By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Purchase and Use Agreement, the Base Lease, the Trust Agreement and each of the Acquisition and Construction Contracts to which it is or will be a party.

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

(e) Each of this Purchase and Use Agreement, the Base Lease, the Trust Agreement and each Acquisition and Construction 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 a legal and valid obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in the Official Statement for the Series 2020 Bonds, there is no litigation pending and served on the Corporation that challenges the Corporation's authority to execute, deliver or perform its obligations under this Purchase and Use Agreement and the Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

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

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

(i) In order to finance the 2020 Projects, to pay the Base Lease Rent to the City and for such other purposes contemplated hereby and by the Trust Agreement, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2020 Bonds payable from and secured by the Installment Payments under this Purchase and Use Agreement.

(j) The Board of Directors of the Corporation (the "Issuer Board") are [initially] appointed by [________, a South Carolina nonprofit public benefit corporation ("_____"), although future directors will be appointed by the Issuer Board. By letter dated ______, was determined by the Internal Revenue Service in November 1997 to be an exempt organization within the meaning of Section 501(c)(3) of the Code and not a private foundation under Section 509(a) of the Code. The activities of the Corporation hereunder are not unrelated to the charitable purpose of ______ described to the Internal Revenue Service in its application for recognition of its exempt status.] [By letter dated _______, the Corporation was determined by the Internal Revenue Service to be an exempt organization within the meaning of Section 501(c)(3) of the Code and not a private foundation under Section 509(a) of the Code. The activities of the Corporation was determined by the Internal Revenue Service to be an exempt organization within the meaning of Section 501(c)(3) of the Code and not a private foundation under Section 509(a) of the Code. The activities of the Corporation hereunder are not unrelated to the charitable purpose of _________.

exempt status.][The Corporation intends to apply to the Internal Revenue Service for a determination that it is also an exempt organization within the meaning of Section 501(c)(3) of the Code and not a private foundation under Section 509(a) of the Code.]

ARTICLE II

INSTALLMENT SALE OF 2020 FACILITIES; USE OF 2020 REAL PROPERTY AND 2020 FACILITIES AND TERM HEREOF

SECTION 2.1. Installment Sale of 2020 Facilities; Use of 2020 Real Property and 2020 Facilities; Term. The Corporation hereby agrees to sell the 2020 Facilities to the City in accordance with the provisions hereof. On the date hereof, the Corporation has a valid leasehold interest in the 2020 Real Property and holds fee title to all remaining portions of the 2020 Facilities. Upon each payment of Base Payments from funds other than (i) amounts constituting Bond Proceeds (including income from the investment of such amounts) or (ii) payments made from a Reserve Sub-Account (if any) of the Reserve Account established for a series of the Bonds, title to an undivided interest in the 2020 Facilities equal to that percentage of the Purchase Price represented by such payment will transfer from the Corporation to the City without further action by either party hereto.

Any prepayment of Base Payments which is used to redeem the Series 2020 Bonds will result in a recalculation of the Purchase Price to take account of such prepayment and, upon the making of such prepayment, the City shall be credited with an undivided interest in the 2020 Facilities equal to that percentage of the total Purchase Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date.

Subject to the provisions of Article VIII hereof, the City shall have the exclusive right to occupy and use the 2020 Real Property and the 2020 Facilities during the term hereof. Subject to the provisions of Sections 2.2 and 2.3 hereof, this Purchase and Use Agreement shall be for a term beginning with the date of execution and delivery hereof, and ending on ______ 1, ____.

During the term hereof, the City may permit other civic or charitable organizations or agencies of the State or any political subdivision thereof to use portions of the 2020 Real Property and the 2020 Facilities subject to the following limitations: (i) no agreement may be for a term in excess of one year; (ii) the 2020 Real Property and the 2020 Facilities shall not be used in any manner that interferes with the use of such property by the City 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) the City shall monitor all such use to ensure continued compliance with the provisions of the Federal Tax Certificate and Section 5.3 hereof.

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

(a) The occurrence of an Event of Nonappropriation, such occurrence to be determined in accordance with the definition of such term given in this Purchase and Use Agreement, which Event of Nonappropriation is not thereafter duly waived;

(b) The purchase by the City of the 2020 Facilities as provided in Article IX of this Purchase and Use Agreement;

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

(d) ______1, ____, which date constitutes the last day of the term hereof, or such later date as all Installment Payments due hereunder shall be paid.

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

SECTION 2.3. Holdover Terms. In the event the City fails to deliver possession to the Corporation of the Corporation Facilities or any part thereof pursuant to Section 2.4 hereof, the City shall be unconditionally liable for the payment of all Installment 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 City delivers possession of the Corporation Facilities to the Corporation. The obligations of the City under this Section 2.3 shall not in any manner constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any State constitutional or statutory provision.

SECTION 2.4. Surrender of Possession Upon Termination; Partition of Undivided Interests. Upon (a) the occurrence of an Event of Default or an Event of Nonappropriation which results in termination hereof or (b) termination of all rights of the City hereunder, and at the written direction of the Trustee [(after consultation with the Bond Insurer, if applicable)], the City and the Corporation shall proceed to partition the 2020 Facilities so that the percentage of undivided interests in the title to the 2020 Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components in accordance with Exhibit D hereof and the following provisions. The date upon which the [Trustee][Bond Insurer] gives such written direction shall be the "Partition Date".

<u>Division of 2020 Facilities</u>. Within a reasonable time after the Partition Date (but in no event longer than 60 days after the Partition Date), the City and the Corporation shall propose a division of 2020 Facilities or, in the event the City and the Corporation notify the Trustee [and the Bond Insurer, if applicable,] in writing that they are unable to agree on a proposed division or they have not proposed a division of the 2020 Facilities within the time period provided by the previous sentence, the Trustee [(after consultation with the Bond Insurer, if applicable)] and the Partition Consultant, if selected, shall propose a division of the 2020 Facilities within a reasonable time after the Partition Date. In all events, Trustee [(after consultation with the Bond Insurer, if applicable)] may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee [(after consultation with the Bond Insurer, if applicable)] and the Partition Consultant, if selected, shall endeavor, to the extent practicable, to allocate the 2020 Facilities between the City and the Corporation in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the City and the Corporation and the City, the Trustee [(after

consultation with the Bond Insurer, if applicable)] and the Partition Consultant, if selected, shall propose such partition as will, in the aggregate, best protect the interests of the Holders (subject to the provisions of this Section 2.4); and (3) the deletion, reduction or release (without exchange or substitution) of any Released Property pursuant to Section 5.1(c) hereof or pursuant to the last two paragraphs of Section 3.6 of the Base Lease shall be taken into account for purposes of determining the portions of the 2020 Facilities to be allocated between the Corporation and the City.

<u>Valuation of Facilities Components and 2020 Facilities</u>. For purposes of any partition, the 2020 Facilities will be valued based on insured values at the time of partition, although the percentage of the 2020 Facilities being purchased on an annual basis is set forth on <u>Exhibit D</u> hereof. In allocating the 2020 Facilities to the percentage of undivided interests in the entire 2020 Facilities to be conveyed to the City or retained by the Corporation, such insured values (at time of petition) and percentages set forth on <u>Exhibit D</u> hereof shall be used rather than the current market or other valuation of Facilities Components associated therewith.

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

<u>Partition Report; Finality</u>. The Trustee [(after consultation with the Bond Insurer, if applicable)] and the Partition Consultant, if selected, shall make a report regarding the division of the 2020 Facilities as soon as practicable after the Partition Date. In the discretion of the Trustee [(after consultation with the Bond Insurer, if applicable)] the partition report shall be final and binding upon all parties.

<u>Instruments of Conveyance</u>. Within a reasonable time (but in no event sooner than 30 days or later than 60 days) after the partition report becomes final, the City and the Corporation shall exchange deeds or other instruments vesting title to such of the 2020 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

City shall deliver up or cause to be delivered up peaceable possession of the Corporation Facilities to the Corporation, together with the related portion of the 2020 Real Property, without delay, in good repair and operating condition, excepting reasonable wear and tear; provided, however, that in the event of a partial division, the terms relating to City Partial Facilities Components 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.

ARTICLE III THE 2020 PROJECTS; FINANCING

SECTION 3.1. Purchase and Installation or Construction of the 2020 Projects. The Corporation and the City acknowledge that the City will be responsible for any and all Acquisition and Construction Contracts necessary or appropriate for the purchase and installation, or for any renovation, construction, installation, restoration, and reconstruction, to be performed in connection with the completion of the 2020 Projects and the City shall be the agent of the Corporation for all such purposes. The City may install machinery, equipment and other tangible personal property in the 2020 Facilities and on the 2020 Real Property and all such machinery, equipment and other tangible personal property not acquired nor financed from Bond Proceeds will remain the sole property of the City.

SECTION 3.2. Administration of Acquisition and Construction Contracts. The City shall be responsible for preparing, administering, amending and enforcing the Acquisition and Construction Contracts to be entered into with respect to the 2020 Projects and the 2020 Real Property and for litigating or settling all claims thereunder. The City and the Corporation, as their interests may appear, will be entitled to the benefit of all warranties, guaranties and indemnities provided under the Acquisition and Construction Contracts and by law.

SECTION 3.3. Notices and Permits. The Corporation shall cooperate with the City 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 2020 Projects. The City 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, [net original issue premium and the deposit into the 2020 Reserve Sub-Account as provided in Section 5.1 of the Trust Agreement)] shall be deposited by the Trustee into the Project Fund. Thereafter, disbursements from the Project Fund shall be made for costs of the 2020 Projects and for such other purposes contemplated by 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 certification by the Corporation and the City stating that the 2020 Projects have been substantially completed in accordance with the applicable Acquisition and Construction Contracts and other terms and conditions of the Purchase and Use Agreement and the 2020 Projects comply in all material respects with all applicable governmental regulations. Upon receipt of such final requisition, 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 2020 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.

SECTION 3.5. Defaults Under Acquisition and Construction Contracts. In the event of any material default by a supplier, contractor or subcontractor under any of the Acquisition and Construction Contracts, or in the event of a material breach of warranty with respect to any property, fixtures, materials, workmanship or performance under any Acquisition and Construction Contract, the City 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 Acquisition and Construction Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City 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 Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement.

SECTION 3.6. Worker's Compensation Insurance. The City and the Corporation shall take such steps as are necessary to ensure that worker's compensation insurance is in force with respect to any Acquisition and Construction Contracts.

SECTION 3.7. Contractor's Performance and Payment Bonds. The City and the Corporation 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 City.

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 deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City 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 Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement.

Contractor's General Public Liability and Property Damage Insurance. The **SECTION 3.8.** City and the Corporation shall take such steps as are necessary to ensure that comprehensive general public and property damage liability insurance with respect to the 2020 Projects are provided in the same manner as would be applicable to any contracts of the City. The Net Proceeds of any insurance policies required by this section or any amounts recovered by way of damages, refunds, adjustments, proceeds or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City or the Corporation of any amounts not to exceed \$100,000 theretofore paid by the City or the Corporation and not previously reimbursed to the City or the Corporation for actions taken by the City or the Corporation to restore damaged portions of the 2020 Facilities to a condition necessary to secure the 2020 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 Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement; provided, however, such deposit shall not exceed the amount necessary to fulfill the obligations of the City under this Purchase and Use Agreement as determined by the Trustee.

ARTICLE IV INSTALLMENT PAYMENTS; ASSIGNMENT TO TRUSTEE

SECTION 4.1. Installment Payments.

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

(b) <u>Payment of Base Payments</u>. (i) Subject to an Event of Nonappropriation as described in Section 4.7 hereof, on or before the 20th day of the month prior to each Bond Payment Date during the period this Purchase and Use Agreement is in effect, the City shall pay to the Trustee as assignee of the Corporation, Base Payments (exclusively from Available Sources specifically budgeted and appropriated for such purpose in lawful money of the United States of America), which payments shall be made to the Trustee as assignee of this Purchase and Use Agreement, in the amounts set forth on <u>Exhibit E</u> hereto; provided that nothing herein shall constitute a pledge of the Available Sources, general tax revenues, funds, moneys or credit of the City. Each payment of Base Payments shall be in consideration for the conveyance of title to an undivided interest in the 2020 Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of Base Payments, the City shall be entitled to the use and occupancy of all of the 2020 Real Property and the 2020 Facilities during the applicable Fiscal Year in which such payments are or will be made.

(ii) The City absolutely and unconditionally pledges to the Corporation as security for the Series 2020 Bonds that, during each fiscal year, to the extent the City receives a rental payment with respect to any Municipal Complex Lease (a "Lease Payment"), the City shall deposit each Lease Payment no later than the thirtieth (30th) day after the day on which the City receives a Lease Payment with the Trustee for deposit into the Facilities Purchase Account. This deposit is a portion of the Base Payment due in that fiscal year, and the City shall receive credit for the amount of the deposit against the amount of the Base Payments along with any other funds available in the Facilities Purchase Account equal the amount necessary to make that fiscal year's Base Payment, then the Trustee shall deposit any remaining Lease Payments in a separately designated fund to be used to prepay Installment Payments according to Section 4.3 of the Purchase and Use Agreement and for other permitted purposes.]]

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

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

(ii) Upon receipt of written notice from the Trustee pursuant to the terms of any Supplemental Agreement (as defined in the Trust Agreement) of a transfer from a subaccount of the Reserve Account established for a particular series of Bonds (as defined in the Trust Agreement) to the applicable subaccount of the Facilities Purchase Account, within the period of time specified in such

Supplemental Agreement, or payment to the issuer or provider of an instrument or surety bond issued to satisfy, in whole or in part, any Reserve Requirement relating to such series of Bonds, of an amount equal to the amount so transferred from the applicable subaccount of the Reserve Account to the applicable subaccount of the Facilities Purchase Account;

(iii) Within the period of time specified in a Supplemental Agreement, the amount of moneys necessary to re-establish a subaccount of the Reserve Account established for a particular series of Bonds at the applicable Reserve Requirement as may be required pursuant to such Supplemental Agreement;

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

(v) Amounts required to pay premiums on insurance for the 2020 Real Property or the 2020 Facilities if such amounts are not paid directly by the City to the applicable insurer;

(vi) [Amounts owed to the Bond Insurer as provided for in the Trust Agreement; and]

(vii) Amounts, if any, budgeted by the Corporation for deposit into the Repair and Replacement Fund, in accordance with Section 5.4 of the Trust Agreement.

The Corporation may, but shall be under no obligation to, advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2020 Real Property and the 2020 Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2020 Real Property and the 2020 Facilities, (iii) to obtain and maintain insurance for the 2020 Real Property and the 2020 Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the City fails to do so as required by this Purchase and Use Agreement or the Base Lease. As provided in Section 6.11 of the Trust Agreement, the Trustee may, but shall not be required to, take any such action. Any such advances shall continue to be due as Additional Payments hereunder.

(d) <u>Credits</u>. The City shall be entitled to a credit against payments of Base Payments in the amount of any deposits in the Bond Fund provided for in the Trust Agreement. In addition to the credit provided in the preceding sentence, the amount payable by the City as Base Payments will be reduced by the amount of money in the applicable subaccount of the Facilities Purchase Account to be credited against those payments and representing Base Payments, including without limitation accrued interest on the Series 2020 Bonds to the extent such amounts will be used to make payments on the Series 2020 Bonds. In this connection, if applicable, when amounts remaining in a subaccount of the Reserve Account equal or exceed the remainder of the applicable Base Payments due, such amounts shall be transferred to the applicable subaccount of the Facilities Purchase Account as and when needed for payment of such Base Payments.

(e) <u>Continuation of Term by City</u>. The City has no reason to believe, as of the effective date hereof, that it will not continue making Installment Payments through the entire term of this Purchase and Use Agreement, and reasonably believes that it will pay the Installment Payments due or coming due hereunder in order to continue to use the 2020 Real Property and the 2020 Facilities. The City presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when

due; provided, however, that the City makes no representation or warranty as to its ability to issue general obligation debt in the future. The representations and covenants contained herein are subject to the ability of the City to terminate this Purchase and Use Agreement and all obligations hereunder as provided in Section 4.7 hereof.

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

(a) The City and the Corporation intend that this Purchase and Use Agreement shall yield, net, the Base Payments specified in Section 4.1 hereof during the term of this Purchase and Use Agreement, and that all costs, expenses, liabilities and obligations of any kind and nature whatsoever including, without limitation, any ad valorem taxes or other taxes levied against holders of real or personal property, insurance premiums, utility charges and assessments and all operation, maintenance, repair and upkeep expenses relating to the 2020 Real Property and the 2020 Facilities and the use of the 2020 Real Property and the 2020 Facilities which do not constitute Base Payments, or other obligations relating to the 2020 Real Property and the 2020 Facilities which may arise or become due during the term of this Purchase and Use Agreement and which the Corporation except for this Purchase and Use Agreement or the terms of the Base Lease would ordinarily be required to pay as owner of the 2020 Real Property and the 2020 Facilities (regardless of whether the City as owner would be so required to pay) shall either be paid under the provisions of the Base Lease or be included in the Installment Payments and paid by the City as Additional Payments. The City acknowledges that, under the provisions of the Base Lease, it has retained responsibility for the payment of taxes and insurance on the 2020 Real Property and the 2020 Facilities and the property associated therewith and the obligations of the City under the Base Lease are not subject to the limitations of Section 4.6 hereof.

(b) All payments of Additional Payments referred to in Section 4.2(a) above shall be made by the City 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 City 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 2020 Real Property and the 2020 Facilities or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the City shall, after prior written notice to the Corporation and the Trustee, at the City'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 2020 Facilities or any part thereof to satisfy the same or to enforce such compliance; provided further, that the City 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 2020 Facilities or any part thereof by reason of such nonpayment or noncompliance.

SECTION 4.3. Prepayment of Installment Payments. The City may prepay Installment 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 City so determines for the purpose of providing for the redemption of Series 2020 Bonds as provided in Section 4.1(a) of the Trust Agreement or the purchase of Series 2020 Bonds as provided in Section 4.4 of the Trust Agreement. The City shall notify the Trustee in writing of the dates on which the Series 2020 Bonds corresponding to any prepayment hereunder are to be so redeemed or purchased (as applicable) and the amount to be redeemed or purchased on each such date, all in accordance with the provisions of the Trust Agreement. The Trustee may request such reasonable information and reports as may be necessary to establish the sufficiency of the payments to be made at the time of such prepayment or purchase, respectively.

SECTION 4.4. Administrative Expenses. Subject to the provisions of Section 4.7 hereof, the City shall pay as Additional Payments (i) the periodic fees and reasonable expenses from time to time of the Trustee and any Paying Agent incurred in administering the Trust Agreement and the Series 2020 Bonds, (ii) any expenses incurred by the Corporation, including but not limited to Administrative Fees and any other fees for legal, financial and accounting services and premiums for directors' and officers' insurance, and (iii) any reasonable expenses, including Administrative Fees and reasonable attorney's fees, incurred by the Trustee to compel full and punctual performance of this Purchase and Use Agreement in accordance with the terms hereof.

SECTION 4.5. Assignment of Purchase and Use Agreement, Manner of Payment. As security for and the source of payment of the Series 2020 Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Purchase and Use Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4 and 5.5 hereof. The City consents and agrees to the assignment of this Purchase and Use Agreement as provided herein. The City covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Purchase and Use Agreement (other than payment for indemnity and fees and expenses of the Corporation) directly to the Trustee, all without set-off, defense or counterclaim by reason of any dispute which the City may have with the Corporation or the Trustee.

SECTION 4.6. Limited and Special Obligation of City. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THIS PURCHASE AND USE AGREEMENT MAY BE TERMINATED AS OF THE END OF THE LAST FISCAL YEAR WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS PROVIDED FOR IN THIS Purchase AND USE AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR (EXCEPT AS OTHERWISE PROVIDED HEREIN). If this Purchase and Use Agreement is terminated under this Section 4.6 or as provided in Section 4.7 or Section 2.2, the City agrees to peaceful delivery of that portion of the 2020 Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

The obligations of the City to make Installment Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Purchase and Use Agreement. Notwithstanding any dispute involving the City and any of the Corporation, any contractor, subcontractor or supplier of materials or labor, or any other person, the City shall make all Installment Payments when due and shall not withhold any Installment Payments pending final resolution of such dispute, nor shall the City assert any defense or right of set-off, recoupment, or counterclaim against its obligation to make such payments required under this Purchase and Use Agreement. The City's obligation to make Installment Payments during the term of this Purchase and Use Agreement shall not be abated through accident or unforeseen circumstances. The City agrees not to suspend, reduce, abrogate, diminish, postpone, modify, discontinue, withhold, or abate any portion of the payments required pursuant to this Purchase and Use Agreement by reason of any defects, malfunctions, breakdowns, or infirmities of the 2020 Real Property and the 2020 Facilities, failure of the Corporation to complete the acquisition, construction, renovation or installation of the 2020 Projects, failure of the City to occupy or to use the 2020 Facilities as contemplated in this Purchase and Use Agreement or otherwise, any change or delay in the time of availability of the 2020 Real Property and the 2020 Facilities, any acts or circumstances which may impair or preclude the use or possession of the 2020 Real Property and the 2020 Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the 2020 Real Property and the 2020 Facilities or in the suitability of the 2020 Facilities for the City's

purposes or needs, failure of consideration, the invalidity of any provision of this Purchase and Use Agreement, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the 2020 Real Property and the 2020 Facilities, the taking by eminent domain of title to or the use of all or any part of the 2020 Real Property and the 2020 Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Purchase and Use Agreement. Nothing contained in this 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 City may institute such action against the Corporation as the City may deem necessary to compel performance so long as such action does not abrogate the City's obligations under this Purchase and Use Agreement. The City 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 City deems reasonably necessary in order to secure or protect its right of possession, occupancy, and use under this Purchase and Use Agreement, and in such event the Corporation hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Corporation in any such action or proceeding if the City shall so request. It is the intention of the parties that the payments required by this Purchase and Use Agreement will be paid in full when due without any delay or diminution whatsoever, SUBJECT ONLY TO THE SPECIAL AND LIMITED NATURE OF THE CITY'S OBLIGATION TO PAY INSTALLMENT PAYMENTS HEREUNDER AS SET FORTH ABOVE.

THE OBLIGATIONS OF THE CITY UNDER THIS PURCHASE AND USE AGREEMENT SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION.

SECTION 4.7. Event of Nonappropriation. The City shall promptly notify the Corporation and the Trustee of the occurrence of any Event of Nonappropriation (but in no event later than three business days after the occurrence thereof). Upon the occurrence of an Event of Nonappropriation, the following provisions shall apply:

(a) If the City delivers official, specific written notice to the Corporation and the Trustee that it will not appropriate funds from any Available Source in the next succeeding Fiscal Year for payment of Installment Payments, the Trustee shall immediately give written notice to the City and the Corporation stating that an Event of Nonappropriation has occurred; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

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

(c) Subject to Article VIII hereof and the provisions of subsection (d) hereof, the Corporation, with the prior written consent of at least 25% in principal amount of the Holders [and the Bond Insurer (if applicable),] or the Trustee [(with the prior written consent of the Bond Insurer, if applicable)] may waive any Event of Nonappropriation which is cured by the City within a reasonable time if the Waiver Period has not expired and in the Trustee's judgment such waiver is in the best interest of the Holders of the Bonds.

(d) Subject to Article VIII hereof and notwithstanding the provisions of subsection (c) hereof, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (a) of the second paragraph of the definition thereof) which is cured by the City's specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Installment Payments coming due hereunder for such Fiscal Year that may be lawfully used to make such payment.

If an Event of Nonappropriation occurs and is not waived, the City shall not be deemed to be in default under this Purchase and Use Agreement and shall not be obligated to make payment of any future Installment Payments due hereunder or any other payments provided for herein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation; provided, however, that, subject to the limitations of Section 4.6 hereof and this Section 4.7, the City shall continue to be liable for Installment Payments (a) accrued prior to the beginning of such Fiscal Year and due hereunder, and (b) allocable to any period during which the City shall continue to occupy the Corporation Facilities.

The City, 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 later of (a) the expiration of the Fiscal Year during which an Event of Nonappropriation occurs if such Event of Nonappropriation occurs by specific written notice thereof or the September 16 following the September 15 on which the City shall fail to enact an ordinance authorizing the issuance of general obligation bonds for the purpose of paying the Installment Payments hereunder or fail to specifically budget and appropriate monies that may be lawfully used therefor or (b) when required by the last paragraph of Section 2.4 hereof.

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in all funds created under the Trust Agreement for the benefit of the Holders of the Series 2020 Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such occurs by notice, or the September 16 following the September 15 on which the City fails to specifically budget and appropriate sufficient moneys to pay, or enact an ordinance authorizing the issuance of general obligation bonds for the purpose of paying, the Installment Payments hereunder, the Trustee may or shall, as the case may be, proceed to exercise its remedies, liquidate its interest in this Purchase and Use Agreement or lease the 2020 Facilities as provided in Section 8.2 of this Purchase and Use Agreement, provided, however, that the 2020 Facilities shall always be operated for a civic or a public purpose as provided in Section 4.1 of the Base Lease. All property, funds and rights acquired by the Trustee for services performed as Trustee, shall be held by the Trustee for the benefit of the Holders of the Bonds as set forth in the Trust Agreement.

Notwithstanding anything in this Purchase and Use Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee, and all other amounts which are payable hereunder, in excess of the principal amount of the Outstanding Series 2020 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 City by the Trustee, its assigns or its lessee.

ARTICLE V COVENANTS OF THE CITY

SECTION 5.1. Maintenance and Operation of 2020 Real Property and the 2020 Facilities; Transfers.

(a) Subject to Sections 4.6 and 4.7 herein, the City covenants and represents that during the term of this Purchase and Use Agreement, it shall, at its own cost or expense, operate the 2020 Real Property and the 2020 Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, and maintain, preserve and keep the 2020 Real Property and the 2020 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 2020 Real Property and the 2020 Facilities may be properly and advantageously conducted. This covenant shall not prevent the City from discontinuing operation of the 2020 Real Property and the 2020 Facilities at any time.

(b) Except as otherwise provided in this Section 5.1 and Section 2.1 hereof and the Base Lease, prior to payment of the Series 2020 Bonds in full, the City shall not sell, transfer, lease, sublease or otherwise dispose of all or any portion of the 2020 Real Property and the 2020 Facilities, or its interests under this Purchase and Use Agreement, except to another political subdivision of the State, which assumes in writing all obligations of the City under this Purchase and Use Agreement and shall enter into no such transaction without the written consent of the Trustee and the Bond Insurer, if applicable.

(c) Notwithstanding any other provision hereof to the contrary, the City may provide for the exchange of any asset comprising the 2020 Facilities, including the portion of the 2020 Real Property related thereto (the "Released Facility"), for another City facility and the real estate on which such facility (the "Exchange Facility") is located, or the deletion or modification of any Released Facility from the definition of "2020 Facilities" hereunder, if: (i) the City provides the Trustee evidence (including but not limited to an appraisal, certificate of insurance or otherwise) of the respective insured values of the Released Facility and the Exchange Facility, if applicable; (ii) the City certifies to the Trustee that, as applicable, (A) the exchange, deletion or modification is necessary or desirable to the City and the reasons therefor (including but not limited to facilitating the sale or other disposition of the Released Facility, the conversion of its use to another purpose other than use by the City as a school facility or otherwise), (B) after taking into account the deletion, modification or exchange of the Released Facility, the insured value of the 2020 Facilities owned by or allocated to the Corporation shall be in excess of 100% of the outstanding principal amount of the Bonds, (C) the proposed Exchange Facility (if any) has a value equal to or greater than the proposed Released Facility, and (D) the Exchange Facility (if any) is necessary or desirable to the operations of the City and the remaining useful life of such Exchange Facility is not less than the remaining useful life of the Released Facility; (iii) the Trustee receives an opinion of Bond Counsel to the effect that the proposed exchange, deletion or modification will not adversely affect the federal income tax treatment of interest paid to the Holders of the Series 2020 Bonds; and (iv) the Bond Insurer, if applicable, consents in writing thereto. The Corporation and/or the City hereby agrees to provide prompt notice of an exchange of an Exchange Facility for a Released Facility hereunder or the deletion or modification of a Released Facility permitted hereby, to Moody's and S&P, if then rating the Bonds.

SECTION 5.2. Liens on 2020 Real Property or 2020 Facilities. The City shall not create, incur or suffer to exist any lien, charge or encumbrance on the 2020 Real Property or the 2020 Facilities or its rights under this Purchase and Use Agreement other than any Permitted Encumbrance.

SECTION 5.3. [Representations and Covenants Regarding Tax Exempt Status of Series 2020 Bonds.

(a) Neither the Corporation nor the City shall take any action (including but not limited to any use of the 2020 Facilities or the Ancillary Projects) or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Purchase and Use Agreement would cause the interest paid on the Series 2020 Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(b) The City covenants to the Corporation, the Trustee and the Holders of the Bonds that, notwithstanding any other provision of this Purchase and Use Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of the proceeds of the Series 2020 Bonds or amounts on deposit in any of the funds or accounts held under the Trust Agreement or under any other document related to the Series 2020 Bonds which would cause the Series 2020 Bonds to be "arbitrage bonds" under Section 148 of the Code and the regulations thereunder, and that it will comply with the requirements of such Section and regulations throughout the term of the Series 2020 Bonds.

(c) The City 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 Series 2020 Bonds. The City 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 Federal Tax Certificate related to the Series 2020 Bonds.

(d) The City will accept title to the 2020 Facilities upon the discharge of the Series 2020 Bonds.]

SECTION 5.4. Reports and Opinions; Inspections.

(a) The City shall permit the Corporation, the Trustee [and the Bond Insurer] to examine, visit and inspect, at any reasonable time, the 2020 Real Property and the 2020 Facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing,]to discuss its affairs, finances and accounts with the Bond Insurer, if applicable,] and to supply such reports and information as the Trustee [or the Bond Insurer, if applicable,] may reasonably request.

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

SECTION 5.5. Immunity of Corporation and Trustee. In the exercise of the powers of the Corporation and the Trustee and their members, directors, officers, employees and agents under the Trust Agreement or this Purchase and Use Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Corporation nor the Trustee shall be accountable to the City for any action taken or omitted with respect to the 2020 Facilities or the Ancillary Projects or this Purchase and Use Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Purchase and Use Agreement. The Corporation and the Trustee and their members, officers, employees and agents shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

No recourse shall be had by the City for any claims based on the Trust Agreement or this Purchase and Use Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person. To the extent permitted by law, the City shall defend the Corporation and any of its 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 5.5 resulting from acts or omissions of the City or from acts or omissions of the Corporation with any acts taken pursuant to this Purchase and Use Agreement, except for fraud, deceit, or acts taken in bad faith or which are negligent.

SECTION 5.6. Compliance with Laws. With respect to the 2020 Real Property and the 2020 Facilities and any additions, alterations, or improvements thereto, the City 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 City shall be deemed in compliance with this Section 5.6 so long as it is contesting in good faith any such requirement by appropriate legal proceedings.

SECTION 5.7. [Reserved]

SECTION 5.8. Filing of Budget with Trustee. During the term of this Purchase and Use Agreement, the City shall file with the Trustee, within 15 days after the beginning of each Fiscal Year, a copy of the annual budget of the City for that Fiscal Year.

SECTION 5.9. Alterations of the 2020 Real Property and the 2020 Facilities; Removals. The City, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the 2020 Real Property and the 2020 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 2020 Real Property and the 2020 Facilities.

In this connection, the City may remove any items of personal property constituting a part of the 2020 Facilities financed by a source of funds other than Bond Proceeds, provided that such removal of the personal property shall not materially diminish the value of the 2020 Facilities.

In the case of any removal as provided above or any removal of City property not constituting 2020 Facilities, the City shall repair any damage resulting from such removal.

SECTION 5.10. Continuing Disclosure. The City covenants to provide the information required by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("15c2-12"), as an Obligated Person (as defined in 15c2-12) in compliance with the provisions of the Continuing Disclosure Undertaking attached hereto as Exhibit F (the "Disclosure Undertaking"). In the event of a failure by the City or any dissemination agent appointed thereby to comply with any provisions of the Disclosure Undertaking, the rights of the Holders of the Series 2020 Bonds to enforce the provisions of the Disclosure Undertaking shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties' obligations under the Disclosure Undertaking.

Any failure by a party to perform in accordance with the Disclosure Undertaking shall not constitute a default on the Series 2020 Bonds or under any other document relating to the Series 2020 Bonds, and all rights and remedies shall be limited to those expressly stated in the Disclosure Undertaking.

The City hereby covenants, so long as required pursuant to Section 11-1-85 of the South Carolina Code, to file with a central repository for availability in the secondary bond market an annual independent audit within 30 days of its receipt and event-specific information within 30 days of an event adversely affecting more than five percent of tax revenues or the City's tax base.

SECTION 5.11. Covenants for Benefit of the Bond Insurer.

[To be provided, if applicable]

ARTICLE VI INSURANCE

SECTION 6.1. Types of Insurance and Coverage Requirements.

(a) During the term hereof, the City shall maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the 2020 Real Property and the 2020 Facilities with such deductible provisions as are consistent with similar insurance obtained by the City with respect to other property owned by it. Such insurance shall (1) name the Corporation, the City and the Trustee as loss payees or additional insureds, as their interests may appear, be maintained for the term of this Purchase and Use Agreement; and (2) be in an amount at least equal to the replacement value of the 2020 Real Property and the 2020 Facilities.

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

(c) The City shall maintain, for the term of this Purchase and Use Agreement, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage to the property of others caused by accident or occurrence (including contractual liability endorsement), with limits of not less than \$800,000 per occurrence and not less than \$1,000,000 in the aggregate for claims made in any one year on account of injury of any one person, and \$250,000 for property damage per occurrence with an aggregate property damage limitation of not less than \$500,000, excluding liability imposed upon the City by any applicable worker's compensation law. Such insurance shall name the Corporation, the City and the Trustee as loss payees or additional insureds, as their interests may appear.

(d) All policies of insurance required hereunder shall be written by the South Carolina Association of Counties Insurance Trust, the South Carolina Insurance Reserve Fund or any governmental or quasigovernmental entity that provides insurance coverage for political subdivisions (or any of their successors), or any companies rated not lower than "A" by A. M. Best Company or in one of the two highest rating categories by S&P or Moody's, in each case qualified to do business in the State and each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. The City 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 City 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 [and the Bond Insurer, if applicable,] at all reasonable times. Certificates of insurance describing such policies shall be furnished by the City to the Corporation and the Trustee when such policies are required to be obtained by this Section 6.1 and at least 10 days prior to the expiration of each of such policies. The City shall certify that it is in compliance with the provisions hereof at or prior to the execution and delivery of this Purchase and Use Agreement. If any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be furnished immediately to the Corporation, the Trustee [and the Bond Insurer (if applicable)] by the City or it shall cause the same to be so furnished. In the event that the City fails to maintain any insurance as provided in this Section, the Trustee may, upon such notice to the City as is reasonable under the circumstances, procure and maintain such insurance at the expense of the City (reimbursable as provided hereinbefore), but the Trustee shall not be under an obligation to do so.

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

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

SECTION 7.1. Damage, Destruction and Condemnation. If, during the term of this Purchase and Use Agreement, (i) the 2020 Facilities, the Ancillary Projects or any portion thereof shall be destroyed (in whole or in part), or be damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the 2020 Real Property, the 2020 Facilities, the Ancillary Projects or any portion thereof or the estate of the City or the Corporation in the 2020 Real Property, the 2020 Facilities, the Ancillary Projects 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 2020 Real Property, the 2020 Facilities, the Ancillary Projects or any portion thereof shall be come apparent, or (iv) title to or the use of all or any portion of the 2020 Real Property, the 2020 Facilities or the Ancillary Projects shall be lost by reason of a defect in title thereto, then the City shall be obligated, subject to the option provided in Section 7.3 hereof and the provisions of Sections 4.6 and 4.7 hereof, to continue to pay the amounts specified as Installment Payments under this Purchase and Use Agreement.

Obligation to Repair or Replace the 2020 Real Property and the 2020 SECTION 7.2. Facilities. Subject to the provisions of Section 7.3 hereof, the City, 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 Sections 3.5, 3.7 or 3.8, as the case may be, 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 2020 Real Property or the 2020 Facilities by the City upon receipt of requisitions by the Trustee signed by an authorized official of the City 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

City shall have all power and authority granted under Article III of this Purchase and Use Agreement; and the Trustee shall cooperate with the City 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 City as directed in writing by the City. 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 2020 Facilities under this Purchase and Use Agreement and the Trust Agreement.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the 2020 Real Property or the 2020 Facilities referred to above, the City 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. In this connection, the City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this paragraph, the City shall not be entitled to any reimbursement therefor from the Trustee or the Holders of the Bonds, nor shall the City be entitled to any diminution of any Installment Payments payable under this Purchase and Use Agreement.

SECTION 7.3. Discharge of Obligation to Repair or Replace the 2020 Real Property and the 2020 Facilities. If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the 2020 Real Property or the 2020 Facilities is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the 2020 Facilities would be impracticable, (b) there is discovered a material defect in the construction of the 2020 Facilities or any portion thereof that renders the 2020 Real Property, the 2020 Facilities or such portion unusable by the City for its intended purposes, (c) all or substantially all of the 2020 Real Property or the 2020 Facilities is taken by eminent domain or (d) the City is deprived of the use of any part of the 2020 Real Property or the 2020 Facilities by reason of a defect in title thereto, the City may elect to apply the Net Proceeds of applicable insurance policies, performance bonds or condemnation awards as a prepayment of Installment Payments and the discharge of its obligations with respect to Sections 7.1 and 7.2 hereof. Such an election may be made by written notice to the Corporation and the Trustee within 90 days of the occurrence of an event described in (a) through (d) above. Upon any such prepayment, the amount thereof shall be applied to redeem Series 2020 Bonds at the earliest practicable date pursuant to Section 4.1(b) of the Trust Agreement, the Purchase Price shall be recalculated to take account of such prepayment, title to the affected part of the 2020 Real Property or the 2020 Facilities (if applicable) shall be deemed transferred to the City and in the event of any future partition under Section 2.4 hereof, such affected part of the 2020 Real Property or the 2020 Facilities (if applicable) shall be automatically assigned to the City. If at any time the amount to be applied as a prepayment hereunder shall exceed the redemption price of the Series 2020 Bonds, the Series 2020 Bonds shall be redeemed, title to all the 2020 Facilities shall be transferred to the City and any amounts not required for the redemption of the Series 2020 Bonds and payment of other expenses and amounts under the Trust Agreement shall be paid to the City.

SECTION 7.4. Cooperation of the Parties. The Corporation, the City and the Trustee shall cooperate fully with each other in filing any proof of loss with respect to any Policy or performance bond covering the events described in Section 7.1 of this Purchase and Use Agreement, in making the Net Proceeds available in accordance with Section 7.2 or 7.3 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the 2020 Real Property, the 2020 Facilities or any portion thereof and in the enforcement of all warranties relating to the 2020 Real Property or the 2020 Facilities. The Corporation hereby designates the City as its agent for the purpose of making collections under such policies, such amounts to be held in trust and applied in accordance

herewith. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding with respect to the 2020 Real Property, the 2020 Facilities or any portion thereof without the written consent of the City 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 City to make any payment required to be made pursuant to Section 4.1(b) hereof within five (5) days 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 City to timely comply with the provisions of Section 2.4 hereof relating to partition and vacating of 2020 Facilities at the times required; or

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

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

(f) the failure by the City promptly to stay or lift any execution, garnishment or attachment of such consequence as will, in the reasonable judgment of the Trustee, materially impair its ability to carry out its obligations under this Purchase and Use Agreement (provided that the City 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 City shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the City or of property of the City, or (ii) admit in writing the inability of the City 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.

The foregoing provisions of this Section 8.1 are subject to the following provision: If, by reason of Force Majeure, the City 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 City contained in Articles IV and VI of this Purchase and Use Agreement, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City from carrying out its agreement, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

SECTION 8.2. Remedies. Whenever any Event of Default referred to in Section 8.1 of this Purchase and Use Agreement shall have happened and be continuing, the Corporation (with written notice promptly given to the Trustee) and the Trustee may terminate the term of this Purchase and Use

Agreement and shall give notice to the City to vacate the Corporation Facilities within 31 days from the date of such notice. Whenever an Event of Nonappropriation shall be deemed to occur, the term of this Purchase and Use Agreement shall terminate pursuant to Section 2.2(a) and the City shall vacate and deliver over to the Trustee possession of the Corporation Facilities by the time specified in Section 4.7 hereof.

Subject to the terms of the Trust Agreement and the Base Lease, the Trustee may also (i) take whatever action at law or in equity which may appear necessary or desirable to enforce its rights in and to the 2020 Real Property and the 2020 Facilities under this Purchase and Use Agreement, the Security Documents and the Trust Agreement, subject, however, to the limitations set forth herein, and (ii) exercise all the rights and remedies of a secured party under the South Carolina Uniform Commercial Code.

In addition, the Trustee may, or at the direction of the Holders of the majority in aggregate principal amount of the Outstanding Bonds and, upon being indemnified as provided in Section 6.2(j) of the Trust Agreement, 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, take one or both of the following additional remedial steps:

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

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

Notwithstanding anything in this Purchase and Use Agreement to the contrary, (1) in the event of a termination of the City's interest in any portion of the 2020 Facilities and subsequent thereto the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, and the payment in full of amounts owed to the Bond Insurer, 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 such excess shall be paid to the City by the Trustee, its assigns or its lessee and (2) the Trustee shall not be permitted to sell, lease or otherwise dispose of any interest in the Corporation Facilities following an Event of Nonappropriation until the Waiver Period has expired, unless such action is expressly subject to the rights of the Corporation, Trustee or the City, as the case may be, to waive such Event of Nonappropriation.

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

SECTION 8.4. Cumulative Rights. No remedy conferred upon or reserved to the Corporation or the Trustee by this Purchase and Use Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase and Use Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Corporation or the Trustee of any breach by the City of any of its obligations, agreements or covenants hereunder shall be deemed a waiver of any subsequent breach, or a waiver of any other obligation, agreement or covenant, and no delay or failure by the Corporation or

the Trustee to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by the Corporation or the Trustee from time to time and as often as may be deemed expedient.

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

ARTICLE IX CONVEYANCE OF THE 2020 FACILITIES

SECTION 9.1. Optional Purchase of the 2020 Facilities.

(a) <u>Purchase in Full</u>. The City is hereby granted the option to terminate this Purchase and Use Agreement and to purchase the Corporation's interest in the 2020 Facilities not theretofore acquired by the City at any time upon payment by the City of the then applicable Purchase Option Price; provided, however, that no such termination shall relieve the City from its obligation to pay administrative expenses as provided in Section 4.4 hereof until the Series 2020 Bonds have been fully discharged and the Trust Agreement terminated. The City 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 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 2020 Facilities to the City in the manner provided in Section 9.2 hereof.

(b) <u>Partial Prepayment of Installment Payments and Purchase</u>. From and after June 1, _____, the City is also granted the option to prepay Installment Payments on the due date of any Base Payments hereunder for the purpose of having such prepayments credited towards the Purchase Option Price of the 2020 Facilities. The City 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) <u>Complete Conveyance</u>. At the closing of any purchase or other conveyance of all of the 2020 Facilities pursuant to Section 9.1(a) of this Purchase and Use Agreement, or at the conclusion of the term hereof by the payment of all amounts due hereunder, the Corporation and the Trustee shall execute and deliver to the City all necessary documents assigning, transferring and conveying all interest to the 2020 Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the City, subject to the following:

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

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

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

(b) <u>Partial Conveyance Resulting from Partition</u>. Upon any conveyance under Section 2.4 hereof, the Corporation and the Trustee shall execute and deliver to the City all necessary documents assigning, transferring and conveying all interest in the City Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement with respect to the City 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 City, subject to the following:

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

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

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

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

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

ARTICLE X MISCELLANEOUS

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

the Corporation or the Corporation against the City 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 City hereunder, either by reason of an Event of Default or an Event of Nonappropriation, the City covenants that it will deliver up or cause to be delivered up peaceable possession of such of the 2020 Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related portion of the 2020 Real Property without delay, upon demand made by the Corporation or the Trustee, in good repair and operating condition, excepting reasonable wear and tear and damage, injury or destruction by fire or other casualty which, under the terms hereof, shall not have been repaired, reconstructed or replaced.

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

If to the City:

City of Columbia, South Carolina Attn: City Manager 1737 Main Street Columbia, South Carolina 29201

If to the Corporation:

Columbia Facilities Corporation c/o City of Columbia, South Carolina Attn: City Manager 1737 Main Street Columbia, South Carolina 29201 (with copy to the City as described above)

If to the Trustee:

Attention: Corporate Trust Department

[If to the Bond Insurer:]

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

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

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

SECTION 10.6. Amendments. The City and the Corporation may, with the prior consent of the Trustee pursuant to Section 11.1 of the Trust Agreement, but without the consent of the Holder 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 City herein contained, or to surrender any right or power herein reserved to or conferred upon the City; or

(d) To increase the Base Payments hereunder to enable the City to proceed to acquire and install additional assets in addition to the 2020 Facilities or modify the Base Payments hereunder in connection with the issuance of Additional Bonds under the Trust Agreement or the redemption, refunding or defeasance of a series of Bonds; or

- (e) To reflect a change in applicable law; or
- (f) To make any amendments required by Moody's or S&P as a condition to rating the Bonds.

The City and the Corporation may, with notice to but without the prior consent of the Trustee, and without the consent of the Holder of any Bond, enter into any amendments hereto at any time and from time to time (i) to add additional property (including Additional Real Property) to the description of the 2020 Real Property described in <u>Exhibit A</u> hereto, consistent with amendments made pursuant to Section 3.1 of the Base Lease, (ii) under the conditions specified in Section 5.1(c) hereof, to add, delete or modify 2020 Real Property in connection with a release or substitution (as applicable) of other 2020 Real Property, (iii) to release property from the description of the 2020 Real Property described in <u>Exhibit A</u> hereto, consistent with a termination of the Base Lease pursuant to Section 3.6 of the Base Lease, or (iv) to revise the description of Permitted Encumbrances specified in <u>Exhibit C</u> hereto in connection with any of the foregoing amendments.

Notwithstanding anything herein to be the contrary, the parties hereto may execute such amendment or supplement to this Purchase and Use Agreement as may be necessary or desirable (with the advice of Bond Counsel) to correct the legal description of the 2020 Real Property or Permitted Encumbrances applicable thereto in connection with such an amendment to the Base Lease and cause such supplement or a short form and summary thereof to be recorded in appropriate official records.

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

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

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

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

[ARTICLE XI PROVISIONS RELATED TO POLICY]

[Signature pages to follow]

WITNESS the due execution of this Installment Purchase and Use Agreement effective as of the date first above written.

(SEAL) WITNESSES:	CITY OF COLUMBIA, SOUTH CAROLINA
	By: Mayor
	Attest: Clerk to Council
(SEAL) WITNESSES:	COLUMBIA FACILITIES CORPORATION By: President
	Attest: Secretary

STATE OF SOUTH CAROLINA))PROBATECOUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness, who, on oath says that (s)he saw City of Columbia, South Carolina, by its duly authorized Mayor and Clerk to Council, sign, seal and as its act and deed, deliver the foregoing Installment Purchase and Use Agreement and that (s)he together with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 2020

Name:_____

Notary Public for South Carolina My Commission Expires:_____ STATE OF SOUTH CAROLINA))PROBATECOUNTY OF RICHLAND)

PERSONALLY appeared before me the undersigned witness, who, on oath says that (s)he saw Columbia Facilities Corporation by its duly authorized President and Secretary, sign, seal and as its act and deed, deliver the foregoing Installment Purchase and Use Agreement, and that (s)he together with the other witness subscribed above, witnessed the execution thereof.

Witness

SWORN TO AND SUBSCRIBED BEFORE ME this ____ day of _____, 2020

Name:

Notary Public for South Carolina My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF THE 2020 PROJECTS AND THE ANCILLARY PROJECTS

The proceeds of the Series 2020 Bonds are expected to be applied to defray the costs of the following projects:

2020 Projects	<u>Cost</u>
Municipal Complex – Acquisition, Renovation and Equipment Costs	\$
Ancillary Projects	<u>Cost</u>
Various Construction and Renovation Projects, Land Acquisition Costs and Costs Associated with Acquisition or Lease of Security Cameras or Video Surveillance Services	\$

Note: All construction or expenditure amounts are estimated.

EXHIBIT B

LEGAL DESCRIPTION OF THE 2020 REAL PROPERTY

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

EXHIBIT B-1

CONVEYED IMPROVEMENTS

All existing improvements located on the 2020 Real Property.

EXHIBIT C

PERMITTED ENCUMBRANCES

EXHIBIT D

VALUATION OF 2020 FACILITIES AND PERCENTAGES THEREOF PURCHASED FROM BASE PAYMENTS

Name of Facility

Assigned Values*

Municipal Complex – 1401 Main Street

* Represents appraised values [including renovation and upfit costs] determined as of the execution date of this Purchase and Use Agreement by the _____ [insurance].

	Base Payments	Percentage of		Base Payments	Percentage of
	Allocated to	2020 Facilities		Allocated to	2020 Facilities
Payment Date	Purchase Price	Purchased	Payment Date	Purchase Price	Purchased

EXHIBIT E

BASE PAYMENTS SCHEDULE

Year May 20, November 20,

EXHIBIT F

CONTINUING DISCLOSURE UNDERTAKING

EXHIBIT D

Form of Trust Agreement

TRUST AGREEMENT

between

COLUMBIA FACILITIES CORPORATION

and

as Trustee

_,

\$___

Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020

Dated _____, ____

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(This Index is not a part of the Trust Agreement but rather is for convenience of reference only)

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TRUST AGREEMENT

This TRUST AGREEMENT dated ______, (the "Trust Agreement") is made by and between COLUMBIA FACILITIES CORPORATION (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, and ______, as trustee (the "Trustee"), a national banking association duly organized and validly existing under the laws of the United States, with a corporate trust office located in

WITNESSETH:

WHEREAS, City of Columbia, South Carolina (the "City") is simultaneously herewith entering into a Base Lease and Conveyance Agreement dated of even date herewith (the "Base Lease") with the Corporation, pursuant to which it has leased and will lease certain real property as more particularly described in <u>Exhibit A</u> attached to the Base Lease, as such <u>Exhibit A</u> may be amended from time to time (the "2020 Real Property"), and has conveyed or will convey the Conveyed Improvements (as defined in the Base Lease) described on <u>Exhibit B</u> attached to the Base Lease, to the Corporation; and

WHEREAS, the Corporation is simultaneously herewith entering into an Installment Purchase and Use Agreement dated of even date herewith (the "Purchase and Use Agreement") with the City pursuant to which (1) the Corporation has agreed to make certain improvements comprising the 2020 Projects (as defined herein), which 2020 Projects will be located on the 2020 Real Property (the 2020 Projects are hereinafter included in the definition of 2020 Facilities as defined in the Purchase and Use Agreement), and (2) the City has agreed to purchase the 2020 Facilities from the Corporation under the provisions of the Purchase and Use Agreement in consideration for which the City will be entitled to occupy the 2020 Facilities pending completion of the payment therefor; and

WHEREAS, the Corporation has agreed to pay the City the Base Lease Rent (as defined in the Base Lease) which is expected to be used by the City to refund the Bonds to be Refunded and defray the costs of the Ancillary Projects (as defined herein), which Ancillary Projects will <u>not</u> be located on the 2020 Real Property and will not be subject to either the Base Lease or the Purchase and Use Agreement; and

WHEREAS, in order to defray the costs of the 2020 Projects and to pay the Base Lease Rent, the Corporation will issue \$______ of its Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020, dated of even date herewith (the "Series 2020 Bonds"), pursuant to the terms of this Trust Agreement; and

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2020 Bonds and the security therefor and to provide for the issuance of one or more series of Additional Bonds (the "Additional Bonds" and, together with the Series 2020 Bonds, the "Bonds") to be secured under the terms hereof on a parity with the Series 2020 Bonds, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts; and

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

WHEREAS, as the source of payment and security for the Bonds, the rights of the Corporation

(except for the hereinafter defined Reserved Rights) under the Purchase and Use Agreement, including certain of the payments to be made by the City thereunder, are being assigned to the Trustee hereunder; and

WHEREAS, payment of the scheduled principal and interest on the Series 2020 Bonds will be guaranteed by a municipal bond insurance policy (the "Policy") issued by ______ (the "Bond Insurer"); and

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

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

Granting Clause First

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

Granting Clause Second

All of the Corporation's right, title, and interest in and to the 2020 Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2020 Real Property, including all of the right, title, and interest of the Corporation in and to (a) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the 2020 Real Property, and from and in connection with the Corporation's ownership of the 2020 Facilities, including, without limiting the generality of the foregoing, rents and revenues under any and all leases of the 2020 Real Property or the 2020 Facilities or any agreement for the operation or management of the 2020 Real Property or the 2020 Facilities, and (b) all leases of all or part of the 2020 Facilities hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees' obligations thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses, and permits now or hereafter affecting the 2020 Facilities, the 2020 Real Property or any part thereof.

Granting Clause Third

All of the Corporation's rights with respect to any contracts for the construction or acquisition of

the 2009 Projects, including without limitation the Acquisition and Construction Contracts (as defined in the Purchase and Use Agreement); any insurance or condemnation proceeds with respect to the 2020 Facilities, the 2020 Real Property or any portion thereof; and the proceeds of any other collateral granted hereunder or assigned hereby as security for the Bonds.

Granting Clause Fourth

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

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

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof, and subject to the Bonds provided for herein and the Purchase and Use Agreement, except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds executed and delivered under and secured by this Trust Agreement; for the enforcement of the payment of Base Payments (as defined herein) by the City when payable, according to the true intent and meaning thereof and of this Trust Agreement; and to secure the performance and observance of, and compliance with the covenants, agreements, obligations, terms and conditions of, this Trust Agreement, in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other Bond by reason of series designation, number, date of the Bond or of authorization, sale, execution, delivery or maturity thereof, or otherwise, so that each of the Bonds shall have the same right, lien and privilege under this Trust Agreement as all other Bonds and shall be secured equally and ratably hereby, it being intended that the lien and security of this Trust Agreement shall take effect from the date hereof, without regard to the date of the actual execution, delivery, sale or disposition of the Bonds as though upon that date all of the Bonds were actually executed, sold and delivered to purchasers for value; provided, however, that the amounts on deposit in the subaccounts, if any, of the Facilities Purchase Account and Reserve Account established for a particular series of Bonds shall be available solely for the benefit of such series (and for no other series) of Bonds; and provided, further, that

(i) if the principal of the Bonds and premium, if any, and the interest due or to become due with respect thereto shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds of a particular series shall have been paid and discharged in accordance with Article IX hereof; and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Corporation under this Trust Agreement shall have been kept, performed and observed and there shall have been paid to the Trustee, as such and as the Paying Agent (as defined herein), all sums of money due or to become due to it in accordance with the terms and provisions hereof, <u>then</u>, this Trust Agreement and the rights assigned hereby shall cease, determine and be void with respect to the Bonds, except as provided in Section 9.2 hereof with respect to the survival of certain provisions hereof; otherwise, this Trust Agreement shall be and remain in full force and effect.

It is declared that all Bonds executed and delivered hereunder and secured hereby are to be executed, authenticated and delivered, and that all property assigned hereby is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Trust Agreement. The Corporation and the Trustee have each agreed and covenanted, and agree and covenant with each other and with each and all Holders,

as follows:

ARTICLE I DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Purchase and Use Agreement or the Base Lease, as the context would allow. In addition, the following terms shall have the meanings set forth below:

"2020 Facilities" shall have the meaning set forth in the Purchase and Use Agreement.

"2020 Facilities Purchase Sub-Account" means the subaccount by that name established in the Facilities Purchase Account of the Bond Fund.

"2020 Real Property" shall have the meaning set forth in the Recitals hereof.

["2020 Reserve Requirement" means as of the date of delivery of the Series 2020 Bonds, the least of (i) ten percent of the principal amount of the Series 2020 Bonds (less any original issue discount when such original issue discount represents more than a de minimis amount); (ii) the greatest remaining principal and interest requirements with respect to the Series 2020 Bonds for any Fiscal Year; or (iii) 125 percent of the average remaining principal and interest requirements with respect to the Series 2020 Bonds for any Fiscal Year.]

"2020 Reserve Sub-Account" means the subaccount by that name established in the Reserve Account of the Bond Fund.

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

"Additional Bonds" means any Bonds issued pursuant to this Trust Agreement after the issuance of the Series 2020 Bonds and secured by the Trust Estate on a parity with the Series 2020 Bonds under the terms of this Trust Agreement.

"Additional Facilities" means any public facilities of the City proposed to be acquired, constructed or improved by the Corporation with the proceeds of Additional Bonds and made subject to the Purchase and Use Agreement and the Base Lease.

"Additional Payments" shall have the meaning set forth in the Purchase and Use Agreement.

"Additional Real Property" means any real property in addition to the 2020 Real Property that is or will become the site of Additional Facilities.

"Administrative Fee" means any program or other similar fees (including but not limited to annual facilities review fees) charged by the program administrator of the South Carolina Association of Government Organizations or any other reasonable fees and expenses of the Corporation or the Trustee (including legal fees and expenses), in each case in connection with the Bonds, this Trust Agreement, the Purchase and Use Agreement or the Base Lease.

"Ancillary Projects" shall have the meaning set forth in the Purchase and Use Agreement.

"Authorized Financial Representative" means such person designated by the Corporation and the City as being authorized to act as the Corporation's agent to provide directions with respect to the investment or reinvestment of amounts held by the Trustee or Custodian, as applicable, in funds and accounts established under this Trust Agreement, which designation may be evidenced by a written certificate or letter signed by any officer of the Corporation and the City Manager or Assistant City Manager for Finance and Economic Services of the City delivered to the Trustee or Custodian, as applicable, and may be revoked, rescinded or replaced by a similar certificate or letter at any time.

"Base Lease" means the Base Lease and Conveyance Agreement dated of even date herewith, between the City and the Corporation, as the same may be amended, modified or supplemented from time to time.

"Base Payments" shall have the meaning set forth in the Purchase and Use Agreement.

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

"Bond" or "Bonds" means the Series 2020 Bonds and any Additional Bonds issued and secured under the terms hereof.

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

"Bond Fund" means the Bond Fund established pursuant to Section 5.3 hereof.

"Bond Insurer" means ______ or any successor thereto, as issuer of the Policy.

"Bond Payment Date" means _____1 and _____1 of each year, on and after ______1, 2020, while there are any unpaid or Outstanding Bonds.

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

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

"City" means City of Columbia, South Carolina.

"City Representative" means the person or persons at the time designated to act on behalf of the City in matters relating to the Base Lease, the Purchase and Use Agreement or this Trust Agreement as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the City Manager or Assistant City Manager for Finance and Economic Services of the City. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the City Representative.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

"Corporation" means Columbia Facilities Corporation, a nonprofit corporation formed under the laws of the State, and its successors and assigns.

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

"Council" means the City Council of the City, as the governing body of the City, and any successor body.

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

"Custodian" shall have the meaning set forth in Section 5.2 hereof.

"Defeasance Obligations" means (a) cash; or (b) Permitted Investments that are (1) Government Obligations (provided that, with respect to Government Obligations of agencies, only securities which are fully guaranteed as to the timely payment of principal and interest by the United States of America issued by the following agencies may be eligible: (A) U.S. Export-Import Bank; direct obligations or fully guaranteed certificates of beneficial ownership, (B) Farmers Home Administration: certificates of beneficial ownership; (C) Federal Financing Bank; (D) General Services Administration: participation certificates; (E) U.S. Maritime Administration: guaranteed Title XI financing; (F) U.S. Department of Housing and Urban Development: project notes; (G) Local Authority bonds; (H) New Communities Debentures - U.S. government guaranteed debentures; or (I) U.S. Public Housing notes and bonds - U.S. government guaranteed public housing bonds), or (2) senior lien bonds or debentures issued by any Federal Home Loan Bank or consolidated bonds or debentures issued as senior obligations by the Federal Home Loan Bank Board; or (c) any legally permissible combination of any of the foregoing. Defeasance Obligations must be noncallable.

"Event of Default" means an Event of Default under Section 7.1 hereof.

"Event of Nonappropriation" shall have the meaning set forth in the Purchase and Use Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable expenses properly incurred by the Trustee under this Trust Agreement, other than Ordinary

Services and Ordinary Expenses.

"Facilities Purchase Account" means the account of such name within the Bond Fund established pursuant to Section 5.3 hereof.

"Favorable Opinion of Bond Counsel" means, with respect to any requested action under this Trust Agreement, a written legal opinion of Bond Counsel, addressed to the Corporation, the Trustee and the City, to the effect that such action is authorized or permitted under this Trust Agreement and will not adversely impact the exclusion of interest on the Series 2020 Bonds from gross income for purposes of federal income taxation (subject to customary exceptions).

["Federal Tax Certificate" means the Federal Tax Certificate dated the date of the initial delivery of the Series 2020 Bonds of the City and the Corporation.]

"Financed Facilities" means the 2020 Facilities.

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

"Government Obligations" means any of the following:

(a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;

(b) non-callable U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS"); and

(c) non-callable direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury; and

(d) prerefunded municipal bonds which are rated "Aaa" by Moody's or "AAA" by S&P.

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

"Initial Bonds" means the Series 2020 Bonds initially issued under the Book-Entry System as provided in Section 3.17 hereof.

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

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

"Moody's" means Moody's Investors Service Inc., or its successors or assigns.

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

"Other Funds and Accounts" shall have the meaning set forth in Section 5.3(h) hereof.

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

(a) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;

(b) Bonds, or the portions thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee pursuant to the provisions of this Trust Agreement on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);

(c) Bonds or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Trust Agreement; and

(d) Bonds in lieu of which others have been executed and delivered under Section 3.12 of this Trust Agreement.

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

"Paying Agent" means the Trustee acting in that capacity.

"Permitted Investments" means (a) any one or more of the investments now or hereafter permitted by applicable State law, including but not limited to Sections 6-5-10 or 11-1-60, Code of Laws of South Carolina 1976, as amended and in effect from time to time (with respect to the investment of funds of a political subdivision); and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment fund or as otherwise may be limited pursuant to a Supplemental Agreement; provided, however, that for purposes of clarification, Permitted Investments may include the following securities but may also be modified in a Supplemental Agreement with respect to a particular series of Bonds:

(a) Government Obligations, which are also:

(i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"),

(ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America,

(iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

(iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

(b) Federal Housing Administration debentures;

(c) The listed obligations of government-sponsored agencies which are <u>not</u> backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation (FHLMC) obligations,

(ii) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) - Senior Debt obligations,

(iii) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) - Consolidated system-wide bonds and note,

(iv) Federal Home Loan Banks (FHL Banks) - Consolidated debt obligations,

(v) Federal National Mortgage Association (FNMA) Senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),

(vi) Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date),

- (vii) Financing Corporation (FICO) Debt obligations, and
- (viii) Resolution Funding Corporation (REFCORP) Debt obligations;

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which at the time of investment are rated "A-1" or better by S&P, including the Trustee or its affiliates;

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million, including the Trustee or its affiliates;

(f) Commercial paper (having original maturities of not more than 270 days) rated (at the time of purchase) "A-1+" by S&P and "Prime-1" by Moody's;

(g) Money market funds rated (at the time of purchase) "AAm" or "AAm-G" by S&P, or better, including those offered by the Trustee or its affiliates;

(h) State Obligations;

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) (A) the municipal obligations are not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions,

(ii) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations,

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification"),

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligation,

(v) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification, and

(vi) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(j) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" or "A3" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" or "A3" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A-" or "A3" or better by S&P and Moody's, provided that:

(i) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain, if applicable, an "A-" or "A3" rating in an "A-" or "A3"-rated (as applicable) structured financing (with a market value approach) or, if not applicable, at levels satisfactory to the Corporation;

(ii) The Trustee or a third party acting solely as agent therefor or for the Corporation (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferror's books);

(iii) The repurchase agreement states and an opinion of counsel is rendered at the time such collateral is delivered that, to the extent permitted by law in effect in the State, including the Uniform Commercial Code, the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(iv) All other requirements, if any, of S&P or Moody's (as applicable) in respect of repurchase agreements are met; and

(v) The repurchase agreement provides that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P and "A3" by Moody's, as appropriate, the provider must, at the direction of the Corporation or the Trustee, within ten days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Corporation or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (i) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P or Moody's, respectively;

(k) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline municipal bond insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P or "Aa" by Moody's; provided that, by the terms of the investment agreement:

(i) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on such Series of Bonds;

(ii) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; and the Corporation and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(iii) the investment agreement states that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel states that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(iv) the Corporation or the Trustee receives the opinion of domestic counsel (which opinion is addressed to the Corporation) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Corporation;

(v) the investment agreement provides that if during its term

(A) the provider's rating by either S&P or Moody's falls below "AA-" and "Aa3," as appropriate, the provider will, at its option, within ten days of receipt of

publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable State and federal laws (other than by means of entries on the provider's books) to the Corporation, the Trustee or the Holder of the Collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(B) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" and "A3," as appropriate, the provider must, at the direction of the Corporation or the Trustee, within ten days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Corporation or Trustee;

(vi) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that, to the extent permitted by law in effect in the State, including the Uniform Commercial Code, the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(vii) the investment agreement must provide that if during its term

(A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Corporation or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate, and

(B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Corporation or Trustee, as appropriate.

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

["Policy" means the municipal bond insurance policy issued by the Bond Insurer, relating to the Series 2020 Bonds.]

"Principal Office" used with respect to the Trustee in its capacity as Trustee or Paying Agent, means the designated office of the Trustee, initially its corporate trust office located in ______, at which the Trustee conducts corporate trust business.

"Project Fund" means the Project Fund established pursuant to Section 5.2 hereof.

"Purchase and Use Agreement" means the Installment Purchase and Use Agreement dated of even date herewith, between the Corporation, as seller, and the City, as buyer, as the same may be amended, modified or supplemented from time to time. "Purchase Option Price" shall have the meaning set forth in the Purchase and Use Agreement.

"Record Date" means either a Regular Record Date or a Special Record Date as the case may be.

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

"Regular Record Date" means, with respect to any Bond, the fifteenth day next preceding a Bond Payment Date applicable to such Bond.

"Repair and Replacement Fund" means the Repair and Replacement Fund established pursuant to Section 5.4 hereof.

"Reserve Account" means the account of such name, if any, within the Bond Fund established pursuant to Section 5.3 hereof.

"Reserve Requirement" means, with respect to the Series 2020 Bonds, the 2020 Reserve Requirement and, with respect to a series of Additional Bonds, such reserve requirement (if any) set forth in the Supplemental Agreement authorizing the issuance of such series of Additional Bonds.

"Reserve Surety" shall have the meaning set forth in Section 5.3(g) hereof.

"Reserved Rights" means the Corporation's rights pursuant to Sections 4.2, 4.4 and 4.5 of the Purchase and Use Agreement, to receive indemnification and other payments and its right to receive certain notices thereunder.

"Revenues" means, with respect to the Bonds, (i) the Installment Payments under the Purchase and Use Agreement, (ii) all other moneys received or to be received by the Trustee under the Purchase and Use Agreement from the lease, sale or other disposition of the 2020 Facilities, (iii) any monies and investments in the Bond Fund (including the Facilities Purchase Account and the Reserve Account) and the Repair and Replacement Fund, and (iv) all income and profit from the investment of the foregoing moneys.

"S&P" means Standard & Poor's Credit Markets Service, a Division of The McGraw-Hill Companies, Inc., or its successors or assigns.

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

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

"Series 2020 Bond" or "Series 2020 Bonds" means \$_____ Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020, of the Corporation; dated of even date herewith, authorized by and secured under this Trust Agreement.

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

"State" means the State of South Carolina.

"State Obligations" means:

(i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency thereof, the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,

(ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated "A-1+" by S&P and "MIG-1" by Moody's, and

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or other subdivision or political unit thereof, rated "AA" or better by S&P and "Aa" or better by Moody's.

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

"Trust Agreement" means this Trust Agreement dated ______, ____, by and between the Corporation and the Trustee, as the same may be amended, modified or supplemented by any Supplemental Agreement.

"Trust Estate" means the Trust Estate described in the Granting Clauses hereto.

"Trustee" means ______, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of this Trust Agreement.

"Underwriter" means , as Underwriter.

SECTION 1.2. Interpretation. Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Code of Laws of South Carolina 1976, as amended, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the City, the Corporation, the Holders, or the Trustee under this Trust Agreement, the Bonds, the Base Lease, the Purchase and Use Agreement or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay principal, premium, if any, or interest on the Bonds in the amount and manner, at the times, and from the sources provided in this Trust Agreement, except as permitted herein.

Unless the context indicates otherwise, words implying the singular number include the plural number, and vice versa. The terms "hereof," "hereby," "herein," "herein," "herein," "hereinder," "hereinafter" and

similar terms refer to this Trust Agreement; and the term "hereafter" means after, and the term "heretofore" means before the date of this Trust Agreement. Words of any gender generally include the correlative words of the other gender, unless the sense indicates otherwise.

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

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

ARTICLE II RECITALS AND REPRESENTATIONS

SECTION 2.1. Base Lease and Purchase and Use Agreement. The Corporation and the City are simultaneously herewith entering into (i) the Base Lease under which the City is leasing its interest in the 2020 Real Property, and is conveying its interest in the Conveyed Improvements owned by it, to the Corporation and (ii) the Purchase and Use Agreement under the terms of which the City has arranged with the Corporation for the acquisition and installation, renovation, construction and reconstruction, and for the sale to and use and occupancy by the City, of the 2020 Real Property and 2020 Facilities (as applicable).

SECTION 2.2. Installment Payments. Under the Purchase and Use Agreement, the City is obligated to pay to the Corporation or its assigns during the term thereof Installment Payments for the purchase of the 2020 Facilities, subject to the occurrence of an Event of Nonappropriation as set forth in Section 4.7 of the Purchase and Use Agreement, and subject to the City's right to exercise its purchase option as set forth in Section 9.1 of the Purchase and Use Agreement.

SECTION 2.3. Assignment and Conveyance.

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

(b) The Corporation and the Trustee intend for this Trust Agreement to be a security agreement within the meaning of the Uniform Commercial Code as adopted by the State (the "UCC"). The intent of the Corporation is to provide to the Trustee, to the fullest extent that the Trust Estate now or hereafter may be subject to a security interest under the UCC, the security interest in the Trust Estate including all presently-owned, or after-acquired property constituting all or a portion of the Trust Estate. The Corporation agrees to prepare, execute (as applicable) and file all initial financing statements necessary to perfect this security interest or other statutory liens held by the Trustee, to the extent required by applicable law, and provide copies of such financing statements to the Trustee. The Trustee shall prepare and file any restatements, extensions, continuations, renewals or amendments thereof for which the

Trustee is the secured party, in such form as the Trustee may require to continue the perfection of this security interest or other statutory liens held by the Trustee, to the extent required by applicable law and to the extent the pertinent facts necessitating any such restatements, extensions, continuations, renewals or amendments thereof are known to a responsible office of the Trustee, and the Trustee shall provide copies of any such restatements, extensions, continuations, renewals or amendments so filed to the Corporation. With respect to any of the Trust Estate in which a security interest is not perfected by the filing of a financing statement, the Corporation consents and agrees to undertake, and the Trustee agrees to cooperate fully with the Corporation, to perfect the security interest granted to the Trustee in the Trust Estate. During the term of the Purchase and Use Agreement, the Trustee may exclusively rely on the City to operate the 2020 Facilities and the 2020 Real Property in accordance with all laws, ordinances, rules and regulations, including without limitation, Environmental Laws (as defined in the Purchase and Use Agreement).

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

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

SECTION 2.5. Other Security Documents. The Corporation shall cause this Trust Agreement (or an assignment agreement of the Corporation in favor of the Trustee, in lieu hereof) and any financing statements relating hereto, to be filed, in such manner and at such places as may be required by law fully to protect the security of the Holders of the Bonds and the right, title and interest of the Trustee in and to the 2020 Facilities, the 2020 Real Property and the Trust Estate created by this Trust Agreement or any part thereof. The Corporation will cause the Base Lease, the Purchase and Use Agreement and any related instruments or documents, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Corporation shall execute or cause to be executed any and all further instruments as may be necessary for such protection of the interests of the Holders of the Bonds until the principal of and interest of the Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as may be requested by the Corporation in writing to perfect and to preserve the Trust Estate created by this Trust Agreement or any part thereof until the Bonds shall have been paid or discharged in the manner hereinafter provided.

ARTICLE III AUTHORIZATION AND TERMS OF BONDS

SECTION 3.1. Principal Amount of Series 2020 Bonds; Designation of Series 2020 Bonds; Conditions to Delivery.

(a) Pursuant to the provisions of this Trust Agreement, there are hereby authorized to be issued one or more series of revenue bonds of the Corporation. Upon the execution and delivery hereof, there are hereby authorized the Series 2020 Bonds. Any subsequent Bonds issued on a parity with the Series 2020 Bonds shall be designated "Columbia Facilities Corporation, Installment Purchase [Refunding] Revenue Bonds (City of Columbia Project)" with such further and other designation as may be necessary to identify such series of Additional Bonds and the purposes therefor.

(b) Upon the execution and delivery of this Trust Agreement, and satisfaction of the conditions established by this Trust Agreement and the Purchase and Use Agreement for delivery of the Series 2020 Bonds, the Corporation shall execute and the Trustee shall authenticate and deliver the Series 2020 Bonds to, or to the order of, the Underwriter.

(c) Before the Trustee authenticates and delivers any of the Series 2020 Bonds, the Trustee shall have received a request and authorization from the City and the Corporation, signed on their behalf by a City Representative and a Corporation Representative, respectively, to authenticate and deliver the Series 2020 Bonds to, or to the order of, the Underwriter, upon payment to the Trustee of the amount specified therein, which amount shall be deposited as provided in Section 5.1 hereof. Executed copies of the following shall be submitted with the request:

- (i) This Trust Agreement;
- (ii) The Base Lease;
- (iii) The Purchase and Use Agreement; and
- [(iv) The Federal Tax Certificate.]

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

SECTION 3.2. Purposes. The Series 2020 Bonds are authorized for the principal purpose of defraying a portion of the cost of acquisition, construction, renovation and equipping of the 2009 Projects, paying the Base Lease Rent for use by the City to refund the Bonds to be Refunded and to defray the costs of the Ancillary Projects, funding the 2020 Reserve Sub-Account in an amount equal to the 2020 Reserve Requirement and paying certain costs of issuance relating to the Series 2020 Bonds.

SECTION 3.3. Maturity Schedule; Date; Interest Rates. The Series 2020 Bonds shall be dated ______, ____, shall mature on _____ 1 in the years and principal amounts set forth below and shall bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) payable on each Bond Payment Date, at the rates set forth below.

	Principal	Interest		Principal	Interest
Year	<u>Amount</u>	<u>Rate</u>	Year	<u>Amount</u>	Rate

SECTION 3.4. Provisions Relating to Additional Bonds; Conditions for Issuance.

(a) <u>Authorization for Additional Bonds</u>. Additional Bonds may be issued hereunder and secured by the Trust Estate on a parity with the Series 2020 Bonds under the conditions set forth herein.

(b) <u>Purposes for Additional Bonds</u>. Subject to the provisions of applicable law, Additional Bonds may be issued for the purposes of providing funds (i) to refund any of the Series 2020 Bonds or any Additional Bonds theretofore issued, (ii) for the purpose of paying the cost of completing the 2020 Projects, and (iii) for the purpose of paying the cost of Additional Facilities or Additional Ancillary Projects.

(c) <u>Conditions to the Issuance of All Additional Bonds</u>. Prior to issuing any Additional Bonds, there shall have been executed and delivered (i) a Supplemental Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) an amendment or supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, and making any changes required to make Additional Real Property subject thereto; (iii) an amendment or supplement to the Base Lease extending the term thereof by at least the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto; (iv) a Favorable Opinion of Bond Counsel; and (v) [while any Series 2020] Bonds are outstanding, the prior written consent of the Bond Insurer; provided, however, that the prior written consent of the Bond Insurer shall not be required with respect to Additional Bonds issued for the purpose of refunding any outstanding Bonds]. There shall also be provided to the Trustee certified copies of a resolution adopted by the Board of Directors of the Corporation and an ordinance enacted by the Council authorizing the issuance of the Additional Bonds and the execution and delivery of the documents to which each is a party. No Additional Bonds may be issued hereunder if at the time there is an Event of Default or an Event of Nonappropriation unless upon the issuance of such Additional Bonds, no other Bonds will be Outstanding hereunder.

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

SECTION 3.5. Payment of Principal and Interest.

(a) Each of the Series 2020 Bonds shall be authenticated, as provided in Section 3.10 hereof, on such date as it shall be delivered and shall bear interest from the later of its date of delivery, or the

date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event each such Series 2020 Bond shall bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from its date of delivery. Additional Bonds shall be authenticated and bear interest as provided in the Supplemental Agreement prescribing the terms and conditions thereof.

(b) Subject to the provisions of Section 3.17 hereof, the principal of and premium, if any, on the Bonds shall be paid in immediately available funds by check or draft drawn upon the Trustee to the Holders thereof upon presentation and surrender thereof when due at the designated corporate trust office of the Trustee; provided, that any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), request that principal and premium payments be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States. Subject to the provisions of Section 3.17 hereof, the interest on the Bonds shall be paid by check or draft drawn upon the Trustee and mailed to the Holders in whose names the Bonds are registered on the Record Date; provided, that any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date; provided, that any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), request that interest payments for any period be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States.

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner of such Bond on the relevant Regular Record Date by virtue of having been such Owner. The Trustee may elect to make payment of any Defaulted Interest to the persons in whose names such Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest proposed to be paid on each such Bond and the date of the proposed payment, shall fix a date (a "Special Record Date") for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed first class, postage prepaid, to each Owner not less than five days prior to such Special Record Date at his address as it appears on the Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

SECTION 3.6. Denomination; Numbering. The Series 2020 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2020 Bonds shall be numbered by the Trustee consecutively from 1 upward, preceded by the letter "R." Additional Bonds shall be in such denominations and be numbered in the manner provided in the Supplemental Agreement providing therefor.

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

trust office of the Trustee.

SECTION 3.8. Form of Bonds. The Series 2020 Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as <u>Exhibit A</u> with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Additional Bonds shall be in such form as is provided in the Supplemental Agreement pursuant to which such Additional Bonds are issued.

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

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

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

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

SECTION 3.13. Transfer and Registration; Persons Treated as Owners.

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

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

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

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

SECTION 3.16. Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds. Upon the surrender of mutilated Bonds pursuant to Section 3.12 hereof or Bonds paid or surrendered, the same shall be cancelled and destroyed by the Trustee in accordance with its retention policy then in effect and subject to applicable law and regulations, and shall not be reissued. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement.

SECTION 3.17. Book-Entry System. Notwithstanding anything to the contrary herein, so long as any series of the Bonds are being held under a Book-Entry System pursuant to this Section 3.17, payment of principal and premium (if any) of and interest on such Bonds and transfers of beneficial ownership of such Bonds will be effected pursuant to rules and procedures established by the Securities Depository. The Series 2020 Bonds shall be initially issued under a Book-Entry System and shall be held thereunder except as provided in this Section 3.17. The Series 2020 Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2020 Bond for each maturity and interest rate in a principal amount equal to the amount of such maturity and interest rate, and shall be registered on the Register in the name of the Securities Depository Nominee. So long as the Book-Entry System is in effect, the Securities Depository Nominee will be recognized as the Holder of the Series 2020 Bonds for the purposes of (i) paying the principal of, premium, if any, or interest on the Series 2020 Bonds, (ii) selecting the Series 2020 Bonds or portions thereof to be redeemed, (iii) giving any notice permitted or required to be given to Holders under this Trust Agreement, (iv) registering the transfer of Series 2020 Bonds, and (v) requesting any consent or other action to be taken by the Holders, and for all other

purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any beneficial owner of Series 2020 Bonds or any other person claiming a beneficial ownership interest in the Series 2020 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the Register as being a Holder of Series 2020 Bonds with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant, (ii) the payment to the Securities Depository, any Participant or any beneficial owner of Series 2020 Bonds of any amount in respect of the principal of, premium, if any, or interest on the Bonds, (iii) any notice which is permitted or required to be given to Holders under this Trust Agreement, (iv) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Series 2020 Bonds or (v) any other action taken by the Securities Depository as Holder of the Series 2020 Bonds. So long as the Book-Entry System is in effect, the Trustee shall pay all principal of and premium, if any, and interest on the Series 2020 Bonds only to the Securities Depository or the Securities Depository Nominee, as the case may be, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid.

In the event that the Corporation determines that it is in the best interest of the Corporation not to continue the Book-Entry System or that the interest of the beneficial owners of the Series 2020 Bonds may be adversely affected if the Book-Entry System is continued, then the Corporation shall notify the Securities Depository and the Trustee of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2020 Bonds. In such event, the Corporation shall execute and the Trustee shall authenticate, register and deliver physical Series 2020 Bonds as requested by the Securities Depository or any Participant or beneficial owner of Series 2020 Bonds in appropriate authorized denominations in exchange for the Series 2020 Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Series 2020 Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Corporation may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Corporation shall either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2020 Bonds in the manner described above; provided, however, that the discontinuation of the Book Entry System of registration and transfer with respect to the Series 2020 Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Notwithstanding any other provision of this Trust Agreement to the contrary, so long as the Series 2020 Bonds are registered in the name of Cede & Co., as Securities Depository Nominee, all payments with respect to the principal of, premium, if any, and interest on the Bonds and all notices with respect to the Series 2020 Bonds shall be made and given, respectively, to The Depository Trust Company, New York, New York, as provided in the Blanket Letter of Representations of the Corporation dated ______.

In connection with any notice or other communication to be provided to the Holders by the Corporation or the Trustee with respect to any consent or other action to be taken by the Holders, the Corporation or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than 15 days in advance of such record date to the extent possible.

SECTION 3.18. Tax Covenants of Corporation. The Corporation will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Series 2020 Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the Corporation will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The Corporation acknowledges that the continued exclusion of interest evidenced by or paid on the Series 2020 Bonds from a Holder's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. To that end, the Corporation covenants that it will comply with the Federal Tax Certificate.

The Corporation acknowledges that the Series 2020 Bonds are being issued by the Corporation, acting on behalf of the City, within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24 ("Revenue Ruling 63-20") and Treasury Regulation Section 1.103-1(b), and covenants to comply with all provisions of Revenue Ruling 63-20 and all applicable provisions of Revenue Procedure 82-26, 1982-1 C.B. 476 ("Revenue Procedure 82-26"). The Corporation therefore represents, warrants and covenants as follows:

(a) The Corporation is organized under the general nonprofit laws of the State as a nonprofit organization and the articles of incorporation of the Corporation provide that the Corporation is not organized for profit and the Corporation's income does not inure to any private person. The activities and purposes of the Corporation are those permitted under the general nonprofit corporation laws of the State, the Corporation will engage only in activities and for purposes that are permitted under the general nonprofit corporation laws of the State and the Financed Facilities and the 2020 Real Property are located entirely within the geographic boundaries of the City.

(b) The articles of incorporation of the Corporation provide that income of the Corporation will not inure to any private person. In fact, income of the Corporation does not inure to any private person, and upon dissolution of the Corporation, the Corporation's net assets shall be distributed to the City. The Corporation shall not amend or modify its articles of incorporation or bylaws to modify any of its stated purposes or activities, or with respect to any other provision, without the advice of Bond Counsel.

(c) Prior to a termination (if any) of the Purchase and Use Agreement pursuant to Section 2.2 thereof which gives rise to a partition of the 2020 Facilities pursuant to Section 2.4 thereof, the City shall have exclusive beneficial possession and use of the Financed Facilities and the 2020 Real Property, including any improvements and additions thereto, equivalent to at least 95% of the fair rental value of the Financed Facilities and the 2020 Real Property for the term of the Series 2020 Bonds, including any other obligations issued by the Corporation either to make improvements to the Financed Facilities and the 2020 Real Property or to refund a prior issue of the Corporation's obligations related to the Financed Facilities and the 2020 Real Property.

(d) The City presently has or shall obtain fully unencumbered fee simple title, subject to Permitted Encumbrances, to the Financed Facilities and the 2020 Real Property no later than such time as the Series 2020 Bonds are discharged. For purposes of this paragraph and the definition of "Base Lease Term" as such term is defined in the Base Lease, the Series 2020 Bonds will be discharged when (i) cash is available at the place of payment on the date that the Series 2020 Bonds are due (whether at maturity or upon prior call for redemption) and (ii) interest ceases to accrue on the Series 2020 Bonds. Upon discharge of the Series 2020 Bonds the Corporation will convey to the City such fee simple title and exclusive possession and use of the Financed Facilities and the 2020 Real Property, including any additions thereto (to the extent the City does not already have such title, possession and use), without demand or further action on its part. In this regard, all leases, management contracts and similar

encumbrances (other than Permitted Encumbrances), if any, relating to the Financed Facilities and the 2020 Real Property shall terminate upon discharge of the Series 2020 Bonds.

(e) While the Purchase and Use Agreement is in effect, in the event the Corporation defaults in its payments under the Series 2020 Bonds, the City has the exclusive option to purchase the Financed Facilities and the 2020 Real Property and any additions thereto (to the extent the City does not already have title to, possession and use thereof) for the amount of the Outstanding Series 2020 Bonds and accrued interest to the date of default. The City must, if at all, exercise its option not more than 90 days from the date it is notified by the Corporation (or the Trustee on behalf of the Corporation) of such default and, if elected, must have 90 days from the date of exercise of such option to purchase such property.

All of the original proceeds of the Series 2020 Bonds shall be used to provide tangible real (f) and tangible personal property. Proceeds are considered to provide tangible property only if the proceeds are (i) used to finance costs that a taxpayer must charge to the property's capital account, may elect to charge to the property's capital account instead of deducting, or may elect to deduct instead of charging to the property's capital account and (ii) used to fund a reasonably required reserve fund for the Series 2020 Bonds within the meaning of Revenue Procedure 82-26. The preceding sentence does not apply to a de minimis amount, less than \$5,000, that is included in the Series 2020 Bonds solely for the purpose of rounding the dollar amount of the issue. If excess proceeds remain on hand after the completion of construction or reconstruction of the Financed Facilities, the requirements of this paragraph will be considered met if (i) the face amount of the Series 2020 Bonds (taking into account estimated investment proceeds) was based on reasonable estimates of the cost of the Financed Facilities at the time the Series 2020 Bonds were issued, and the excess proceeds are used and invested in the manner described in Section 3.052 of Revenue Procedure 82-26. For purposes of this paragraph, "original proceeds" are amounts (after payment of all expenses of issuing the Series 2020 Bonds) received at any time as a result of the sale of the Series 2020 Bonds and "investment proceeds" are amounts (net of administrative costs) that result from the investment of any proceeds of the Series 2020 Bonds. However, investment proceeds do not include amounts earned after the date that (i) construction, reconstruction or acquisition of the Financed Facilities is completed, or (ii) all of the proceeds (less amounts used to fund a reasonably required reserve fund) have been spent on the construction, reconstruction or acquisition of the Financed Facilities, whichever occurs later.

(g) The Council enacted an ordinance on _____, which date is within one year prior to the issue date of the Series 2020 Bonds, approving the purposes and activities of the Corporation, the issuance of the Series 2020 Bonds by the Corporation for the purposes of financing the costs of the 2020 Projects and paying the Base Lease Rent to the City, and stating that the City will accept title to the Financed Facilities and the 2020 Real Property, including any additions or improvements thereto (to the extent the City does not already have title to, possession and use thereof), no later than such time as the Series 2020 Bonds are discharged.

(h) The proceeds of fire or other casualty insurance policies received in connection with the damage or destruction to the Financed Facilities and the 2020 Real Property, including any improvements, will be used, subject to the provisions of Section 4.1(b) hereof regarding special optional redemption of the Series 2020 Bonds, to rebuild the Financed Facilities and the 2020 Real Property (as applicable) or to redeem the Series 2020 Bonds or, if all of the Series 2020 Bonds have been paid or defeased under the Trust Agreement, will be remitted to the City.

(i) The Board of Directors of the Corporation (the "Issuer Board") are [initially] appointed by ______, a South Carolina nonprofit public benefit corporation ("_____"),

(j) In the event of any division of the 2020 Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, the Corporation agrees that, unless (i) it obtains an opinion of Bond Counsel to the effect that such action is unnecessary to preserve the exclusion from gross income of interest on any Series 2020 Bonds, or (ii) the Corporation or the Trustee is directed otherwise by the owners of a majority of the beneficial ownership interests of the Series 2020 Bonds, it will timely undertake to satisfy the requirements of the Code and the Treasury Regulations relating to a change in use of the 2020 Facilities. Regulations governing such remedial action are now contained in Section 1.141-12 of the Treasury Regulations.

ARTICLE IV REDEMPTION OR PURCHASE OF BONDS

SECTION 4.1. Redemption of Bonds.

(a) Optional Redemption of Series 2020 Bonds. In the event the City exercises its option pursuant to Section 9.1 of the Purchase and Use Agreement to purchase the Corporation's interest in the 2020 Facilities and pay the amount required to defease and redeem the Series 2020 Bonds or to prepay Base Payments or in the event the City makes a voluntary prepayment under Section 4.3 of the Purchase and Use Agreement, the Series 2020 Bonds maturing on or after _____ 1, ____, may be redeemed in whole or in part at any time on and after _____ 1, ____, by the Corporation at a redemption price equal to the principal amount of the Series 2020 Bonds to be redeemed plus accrued interest to the redemption date.

The Series 2020 Bonds shall be redeemed in accordance with this paragraph (a) only by written notice from the City or the Corporation to the Trustee of the redemption of the Series 2020 Bonds and directing the Trustee to give notice thereof to the Holders in accordance with Section 4.2 hereof. Such notice shall specify the redemption date on which the Series 2020 Bonds are to be redeemed, and shall be given to the Trustee at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. Prior to the giving of notice by the Trustee to the Holders as provided in Section 4.2 hereof, there shall be deposited with the Trustee funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof all of the redeemable Series 2020 Bonds for which notice of redemption has been given; provided that the Trustee may accept such other assurance from the City or the Corporation as it deems appropriate as to the availability of such funds or may condition any such notice on the receipt of funds at or prior to the date set for redemption.

(b) <u>Special Optional Redemption of Series 2020 Bonds</u>. In the event the City elects to prepay Installment Payments pursuant to the provisions of Section 7.3 of the Purchase and Use Agreement, the Series 2020 Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee at the direction of the Corporation), at a price equal to 100% of the principal amount of the Series 2020 Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Series 2020 Bonds shall be redeemed pursuant to this paragraph (b) in accordance with the procedure set forth in the last paragraph of Section 4.1(a) above and Section 4.2 hereof.

(c) <u>Mandatory Sinking Fund Redemption of Series 2020 Bonds</u>. The Series 2020 Bonds maturing on _____1, ___(the "____ Term Bonds") are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium on either _____ 1 or _____ 1 for each of the years and in each of the amounts as follows:

*Final Maturity

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

(d) <u>Partial Redemption of Series 2020 Bonds</u>. If less than all of the Series 2020 Bonds are called for redemption, the Series 2020 Bonds to be redeemed will be selected in the manner that the Corporation shall determine as set forth in a certificate of the Corporation filed with the Trustee. If less than all Series 2020 Bonds of any one maturity are called for redemption, the Trustee shall select the Series 2020 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2020 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2020 Bonds is Cede & Co., such selection shall be made by DTC.

(e) <u>Redemption of Additional Bonds</u>. Provisions relating to the circumstances upon which Bonds other than Series 2020 Bonds may be redeemed shall be as set forth in the Supplemental Agreement providing for the issuance thereof.

SECTION 4.2. Notice of Redemption. Notice of redemption of the Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice given by the Trustee to Bondholders expressly states that such redemption is conditioned upon the deposit of funds sufficient for the redemption by the Corporation and that failing such deposit no redemption shall take place. The notice of the call for redemption of Bonds shall identify (i) the CUSIP number or numbers, if any, of the Bonds to be redeemed; (ii) the numbers assigned to such Bonds, and in the case of Bonds called in part only, the amounts being redeemed; (iii) the date of the notice; (iv) the redemption date; (v) the redemption price; (vi) the address of the Trustee where such Bonds are to be presented, with the name and telephone number of a contact person, if available; (vii) the issue date of the Bonds; and (viii) the maturity date of the Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the Holder of each Bond subject to redemption at the Holder's address shown on the Register on the 15th day preceding that

mailing.

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

SECTION 4.3. Payment of Redeemed Bonds. Notice having been mailed, the Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price plus interest accrued to the redemption date.

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

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

SECTION 4.4. Purchase of Bonds. The City may attempt to purchase Bonds at such time, in such manner and at such price, all as may be specified by the City (or the Authorized Financial Representative on its behalf). At the written direction of the City, the Trustee may purchase Bonds delivered to the Trustee with any amounts provided to it by the City pursuant to Section 4.3 of the Purchase and Use Agreement or otherwise deposited to the applicable Facilities Purchase Account of the Bond Fund, provided that all regularly scheduled payments on the Bonds then due and payable have first been satisfied. Any accrued interest due to the holder of any Bond so purchased may be paid from funds held by the Trustee for the payment of interest due on such Bonds on the next ensuing Bond Payment Date. Unless directed otherwise by the City (or the Authorized Financial Representative on its behalf), the Trustee shall cancel any such Bonds so purchased. Prior to effecting any purchase hereunder, the Trustee shall be entitled to receive, upon request, a Favorable Opinion of Bond Counsel.

ARTICLE V PROVISIONS AS TO FUNDS AND PAYMENTS

SECTION 5.1. Deposit of Money. In order to assure that the Base Lease Rent and the costs of the 2020 Projects and the Ancillary Projects will be paid without delay and that the 2020 Facilities will continue to be available for lease and occupancy by the City without delay, there shall be deposited with the Trustee the proceeds received from the sale of the Series 2020 Bonds, representing the principal amount of the Series 2020 Bonds, which shall be used as follows:

(1) \$_____ shall be deposited to the 2020 Reserve Sub-Account, to satisfy the 2020 Reserve Requirement;

(2) \$______ shall be paid to the City as an initial payment of Base Lease Rent; and

(3) the remaining portion of the proceeds from the sale of the Series 2020 Bonds shall be deposited to the Project Fund, of which \$______ shall be transferred to the Cost of Issuance Account.

SECTION 5.2. Creation of Project Fund and Cost of Issuance Account. There is hereby created as a separate account in the custody of the Trustee or another bank, depository or trust company (each, a "Custodian") a trust fund designated as the "Project Fund" and a separate account therein designated as the "Cost of Issuance Account." Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the Series 2020 Bonds deposited in the Project Fund and the Cost of Issuance Account pursuant to Section 5.1 hereof, together with any other moneys and Permitted Investments held to the credit thereof, shall be held as security for the payment of the Series 2020 Bonds.

SECTION 5.3. Disbursements From and Records of Project Fund and Cost of Issuance Account.

(a) Moneys in (1) the Project Fund shall be disbursed for the costs of the 2020 Projects and the initial payment of the Base Lease Rent, and (2) the Cost of Issuance Account shall be disbursed for the payment of issuance costs of the Series 2020 Bonds, all in accordance with the provisions of this Section 5.3. The Trustee or the Custodian, as applicable, shall cause to be kept and maintained adequate records pertaining to the Project Fund and the Cost of Issuance Account and all investments and disbursements of moneys in the Project Fund and the Cost of Issuance Account. After the 2020 Projects and the Ancillary Projects have been substantially completed and a final requisition is filed with the Trustee or the Custodian, as applicable, shall retain copies of the Purchase and Use Agreement, the Trustee or the Custodian, as applicable, shall retain copies of the records pertaining to the Project Fund and disbursements therefrom for inspection upon request of the Corporation or the City.

(b) All disbursements from the Project Fund, except those from the Cost of Issuance Account as provided in subsection (d) below, shall be made by the Trustee or Custodian, as applicable, upon the receipt of a requisition in substantially the form set forth in <u>Exhibit B</u> hereto signed by a Corporation Representative and a City Representative. The Trustee or Custodian, as applicable, shall be entitled to rely on each requisition as conclusive evidence of the City's compliance with the procedure described herein. The Trustee shall have no duty to review or investigate the accuracy of the requisition for other than the form and format.

(c) Upon the substantial completion of the 2020 Projects, the Corporation shall submit to the Trustee or Custodian, as applicable, a final requisition in substantially the form set forth in <u>Exhibit C</u> hereto signed by a Corporation Representative and a City Representative in the total amount remaining owing for costs of the 2020 Projects, including all applicable retainages. Upon the receipt of the final requisition, the Trustee or Custodian, as applicable, shall promptly disburse the amounts requested therein.

(d) The Trustee or Custodian, as applicable, is hereby authorized to pay from the Cost of Issuance Account of the Project Fund from time to time, upon written direction of the City, together with an invoice or other evidence of the amounts payable thereunder, costs of issuance of the Series 2020 Bonds. Upon written direction of the City, any amounts remaining in the Cost of Issuance Account of the Project Fund, after payment of all costs of issuance of the Series 2020 Bonds, shall be transferred to the Project Fund generally.

SECTION 5.4. Completion of 2020 Projects. As soon as practicable after the filing with the Trustee or Custodian, as applicable, of the final requisition referred to in Section 5.3(c) hereof, the Trustee or Custodian, as applicable, shall remove any balance then remaining in the Project Fund (other than the amounts required to be retained by the Trustee, as applicable, as described in the said requisition), and the Project Fund shall be closed.

SECTION 5.5. Creation of Bond Fund and Accounts Therein and Other Funds and Accounts Under this Trust Agreement.

(a) There is hereby created in the custody of the Trustee a separate trust fund to be designated the "Bond Fund." Within the Bond Fund there shall be established a Facilities Purchase Account and a Reserve Account. There shall be deposited in the Bond Fund (and credited, as required by this Trust Agreement or the Purchase and Use Agreement, to appropriate accounts and subaccounts therein), amounts sufficient to pay the principal and premium, if any, of and interest on each series of the Bonds from the Base Payments to be made by the City to the Trustee under the terms of the Purchase and Use Agreement. Upon the issuance of the Series 2020 Bonds, one subaccount (the 2020 Facilities Purchase Sub-Account) shall be created in the Facilities Purchase Account of the Bond Fund, each for the benefit of the Series 2020 Bonds. Notwithstanding anything in this Trust Agreement to the contrary, upon the partial refunding of the Series 2020 Bonds, the Trustee shall recalculate the 2020 Reserve Requirement taking into account such refunding. If, at the time of such refunding, there shall exist any amounts shall be disbursed upon written direction of a Corporation Representative, subject to the provisions of Section 5.5(f)(iii) hereof.

Upon the issuance of any series of Additional Bonds hereunder, (i) one or more separate subaccounts shall be created in the Reserve Account of the Bond Fund to provide for any Reserve Requirement with respect to such Additional Bonds with the intent being that the Series 2020 Bonds and any Additional Bonds shall only be payable from the subaccounts of the Reserve Account established with respect to such series of Bonds upon the issuance thereof and (ii) a separate subaccount shall be created in the Facilities Purchase Account for purposes of making payment on each series of Bonds with the intent being that the Series 2020 Bonds, and any Additional Bonds shall only be payable from the subaccounts of the Facilities Purchase Account established with respect to such series of Bonds upon the issuance thereof.

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

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

(d) Amounts due with respect to a particular series of Bonds, except as provided in the remainder of this Section 5.5, shall be payable as they become due in the following order, (i) first, from amounts in the applicable subaccount of the Facilities Purchase Account (or, in the case of the Series 2020 Bonds, the 2020 Facilities Purchase Sub-Account); (ii) second, from the moneys available from the applicable subaccounts of the Reserve Account (or, in the case of the Series 2020 Bonds, the 2020 Reserve Sub-Account); (iii) third, from other Revenues to the extent available; and (iv) fourth, from any other source lawfully available to the Trustee, including without limitation, proceeds from the leasing of the 2020 Facilities in accordance with the terms of the Purchase and Use Agreement and the Base Lease.

(e) If, at the close of business on the third Business Day prior to any Bond Payment Date with respect to a particular series of Bonds, the amount in the applicable subaccount of the Facilities Purchase Account is less than the amount due and payable with respect to such series of Bonds on such Bond Payment Date, the Trustee shall immediately transfer from the applicable subaccount of the Reserve Account (or, in the case of the Series 2020 Bonds, the 2020 Reserve Sub-Account) to the applicable

subaccount of the Facilities Purchase Account (or, in the case of the Series 2020 Bonds, the 2020 Reserve Sub-Account) an amount sufficient to make up such deficiency, provided that if there is a Reserve Surety in effect, then to the extent the money, if any, in the applicable subaccount of the Reserve Account is not sufficient to make up such deficiency, then the Trustee shall make a claim against the Reserve Surety. In the event of any such transfer, the Trustee shall, within ten days after making the transfer, provide written notice to the City and the Corporation of the amount and date of that transfer. Upon receipt of such notice, the City shall be obligated to pay to the Trustee, for deposit into the applicable subaccount of the Reserve Account, from any source of legally available and appropriated funds as an Additional Payment, an amount equal to such transfer in 12 equal monthly installments in the Fiscal Year immediately following the Fiscal Year in which such transfer is made; provided, that if the Reserve Requirement for one or more particular series of Bonds is met in whole or in part by a Reserve Surety, payments required hereby shall be applied first to the reinstatement of the Reserve Surety and then for deposit into the applicable subaccount of the Reserve Account.

(f) Monies in a subaccount of the Reserve Account established for one or more particular series of Bonds shall be used solely: (i) to the extent necessary to make up deficiencies in the applicable subaccounts of the Facilities Purchase Account, as provided in subsection (e) above; (ii) as provided in Section 5.7 hereof; and (iii) if all Base Payments with respect to such series of Bonds are then current, to be credited against the last remaining required installments of Base Payments for that series and for that purpose any remaining amounts in such subaccount of the Reserve Account shall be transferred as Base Payments to the applicable subaccount of the Facilities Purchase Account by the Trustee on or before the Bond Payment Date occurring on _____ 1, ____.

(g) In lieu of the required deposits into a subaccount of the Reserve Account established for a particular series of Bonds, the Corporation may cause to be deposited therein a surety bond, an insurance policy, a letter of credit or other credit facility (each, a "Reserve Surety"), payable to the Trustee that in each case shall be in an amount equal to the difference between the Reserve Requirement applicable to such series of Bonds and the sums, if any, then on deposit to the credit of the applicable subaccount of the Reserve Account; provided, however, that (1) any Reserve Surety (other than a letter of credit) shall have a term of no less than five years or the maturity date of such series of Bonds (whichever is less), (2) any Reserve Surety in the form of a letter of credit shall have a term of no less than one year or the maturity date of such series of Bonds (whichever is less), and (3) as a condition to the substitution of such surety bond, insurance policy, letter of credit or other credit facility in lieu of the required deposits to the applicable subaccount of the Reserve Account, there shall be delivered to the Trustee (i) a Favorable Opinion of Bond Counsel, and (ii) an executed original of such surety bond, insurance policy, letter of credit or other credit facility in lieu of the required deposit prior to the acceptance thereof by the Trustee. On or prior to the expiration of a surety bond, insurance policy, letter of credit or other credit facility which do not by their terms expire prior to the maturity date of the Bonds of such series, a replacement surety bond, insurance policy, letter of credit or other credit facility prior to such expiration date must have been received or the applicable subaccount of the Reserve Account must be fully funded. In no event may the issuer of the insurance policy, letter of credit or other credit facility have pledged or assigned to it any interest in the Trust Estate granted hereunder unless subordinate to the interest of the Trustee. Any such letter of credit, surety bond or insurance policy shall be issued in the name of or for the benefit of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification by the Trustee that the funds drawn thereunder are to be used for the purposes set forth in the preceding paragraph. The Trustee shall receive payment thereunder prior to any expiration or termination thereof and whenever moneys are required for the purposes for which such fund's moneys may be applied. If the Corporation elects to deposit a surety bond, insurance policy, letter of credit or other credit facility in the applicable subaccount of the Reserve Account in lieu of moneys on deposit therein, upon any such deposit, the Trustee shall release to the Corporation from the applicable

subaccount of the Reserve Account cash in an amount equal to, or Permitted Investments held therein having a market value equal to, the face amount of the surety bond, insurance policy, letter of credit or other credit facility then being deposited, except that moneys on deposit in such fund which were originally proceeds of any series of Bonds shall be transferred to the applicable subaccount of the Facilities Purchase Account or for any other use specified by the Corporation.

(h) Notwithstanding anything herein to the contrary, the Trustee shall be entitled to create such other funds and accounts (collectively, "Other Funds and Accounts") as may be necessary or desirable in connection with the administration of its duties hereunder, including but not limited to such funds and accounts as may be established for the deposit of moneys related to the payment of arbitrage rebate in connection with the Bonds; provided, however, that (1) the Corporation and the Trustee shall be entitled to enter into such additional agreements relating to the funding, use, investment and disbursement of amounts in the Other Funds and Accounts notwithstanding any other provisions of this Trust Agreement; and (2) with the advice of Bond Counsel, the Corporation, or the Authorized Financial Representative on its behalf, shall be entitled to direct the transfer of amounts from the Bond Fund or the Other Funds and Accounts related to the payment of arbitrage rebate in connection with the Bonds and direct the use of such accounts for such purpose.

SECTION 5.4. Creation of Repair and Replacement Fund. There is hereby created as a separate account in the custody of the Trustee a trust fund to be designated the "Repair and Replacement Fund." The Trustee shall deposit into the Repair and Replacement Fund as and when received that portion of the Additional Payments so budgeted by the Corporation; provided, however, that the amount so deposited may not in any event cause the amounts to be deposited or credited to the applicable subaccounts of the Facilities Purchase Account of the Bond Fund on such Bond Payment Date to be less than the amounts then due with respect to the applicable series of Bonds. Moneys in the Repair and Replacement Fund shall be used, upon written direction of the Corporation Representative to the Trustee, (a) to build up a reserve for the depreciation of the 2020 Facilities or otherwise for the purpose of restoring or replacing depreciated or obsolete items of the 2020 Facilities, (b) to build up a reasonable reserve for improvements, betterments, and extensions to the 2020 Facilities, other than those necessary to maintain the 2020 Facilities in good repair and working order and (c) to pay any accrued and unpaid Administrative Fees. Moneys in this fund shall be used solely for such purposes, but may be transferred at the written direction of the Corporation Representative whenever necessary to the Bond Fund to pay the principal or premium, if any, of or interest on any Bonds or to replenish any Reserve Account established therefor.

SECTION 5.5. Investments. Subject in all events to the provisions set forth in Section 5.3(h) hereof:

(a) Moneys in the Project Fund (including the Cost of Issuance Account therein), the Bond Fund, the Repair and Replacement Fund and Other Funds and Accounts shall be invested and reinvested by the Trustee or Custodian, as applicable, in Permitted Investments at the written direction of the Authorized Financial Representative; provided, however, that in the absence of such written direction, funds shall be invested in the _______. Any investments of moneys held to the credit of such funds and accounts shall mature, be available or redeemable at the option of the owner or holder, or, in the case of a forward delivery agreement, repurchase agreement or similar contract, be available thereunder, not later than the respective dates when the money held to the credit of those funds and accounts will be required for the purpose intended.

(b) Subject to any written direction from the Authorized Financial Representative, from time to time, the Trustee or Custodian, as applicable, may sell investments and reinvest the proceeds therefrom in Permitted Investments maturing or redeemable or available as required hereunder. The Trustee or

Custodian, as applicable, may enter into transactions for the purchase or sale of Permitted Investments with itself or any bank, trust company or savings and loan association affiliated with the Trustee or Custodian, as applicable. The Trustee or Custodian, as applicable, shall sell or redeem Permitted Investments credited to the Bond Fund at the times required for the purpose of paying amounts due with respect to the Bonds payable therefrom when due as aforesaid, and shall do so without necessity for any order. Subject to Section 5.3(h) hereof, an investment made from moneys credited to the Project Fund (including the Cost of Issuance Account therein), the Repair and Replacement Fund, the Bond Fund or any Other Fund and Account shall, except as may be directed by the Corporation to the Trustee, constitute part of that account and fund, and each account and fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

(c) Investment income from investment of amounts on deposit in the Project Fund (including the Cost of Issuance Account therein) or the Repair and Replacement Fund shall be retained therein and applied as other moneys in the Project Fund (including the Cost of Issuance Account therein) or the Repair and Replacement Fund, respectively. Investment income from investment of amounts on deposit in Other Funds and Accounts shall be applied as directed in writing by the Corporation or the Authorized Financial Representative on its behalf.

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

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

(f) The Trustee shall report to the City at least five days prior to each date on which a Base Payment is due and payable the amount of investment income credited or transferred to the particular subaccount of the Facilities Purchase Account of the Bond Fund and available to make payments due on the next Bond Payment Date, and the amount of the applicable Base Payment payable by the City on that date shall be reduced by such amount.

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

(h) The value of the obligations in which money in a fund or account has been invested shall be computed at market value or the amortized cost thereof, whichever is lower, except that in the case of the Reserve Account the value shall be computed at the original cost thereof. The Trustee shall value the investments in the Reserve Account and each subaccount therein on each May 1 and November 1 during the term of the Purchase and Use Agreement.

(i) In the event, as of a date of valuation, investments in the Reserve Account or any subaccount therein plus the value of any Reserve Surety credited thereto are determined to be less than the Reserve Requirement applicable thereto, the Corporation shall notify the City with a demand that it

restore such Reserve Account or subaccount from any source of legally available and appropriated funds as an Additional Payment to the applicable Reserve Requirement in 12 equal monthly installments in the Fiscal Year immediately following the Fiscal Year in which such valuation is made.

SECTION 5.6. Moneys to be Held in Trust. All moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement or the Purchase and Use Agreement, and any investments thereof, shall be held by the Trustee in trust. Except for moneys held by the Trustee pursuant to Section 5.7 hereof, all moneys described in the preceding sentence held by the Trustee shall be subject to the lien of this Trust Agreement while so held.

SECTION 5.7. Nonpresentment of Bonds. If any Bond is not presented for payment when its principal becomes due in whole or in part, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Corporation or the City to that Holder for the payment of the principal then due or of the check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, that principal then due or of such check or draft.

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

SECTION 5.8. Repayment to City from Bond Fund. Except as provided in Section 5.7 hereof, any amounts remaining in the Bond Fund in excess of the amounts necessary to effect the payment and discharge of the Bonds (i) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Trust Agreement, and (ii) after payment of all fees, charges and expenses of the Trustee and of all other amounts required to be paid under this Trust Agreement and the Purchase and Use Agreement, shall be paid to the City.

ARTICLE VI TRUSTEE

SECTION 6.1. Trustee's Acceptance and Responsibilities.

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

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

individual capacity or as creating any liability of any past, present or future director, officer, employee, agent, controlling person or nominee of the Trustee to make any payment or to perform any agreement or undertaking contained herein or therein.

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

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

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the procedural requirements of this Trust Agreement; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the procedural requirements of this Trust Agreement.

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

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

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

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

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

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

(v) the Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Corporation or the City) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

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

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

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be answerable for the conduct of the same if appointed with due care, (ii) shall be entitled to the advice of counsel concerning all matters of trusts or powers hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof.

(b) Except as may be required of it in its capacity as assignee of the Corporation under the Purchase and Use Agreement or as specifically provided for elsewhere herein, the Trustee shall not be responsible for:

(i) any recital in this Trust Agreement or the Bonds or any information in any offering memorandum of other disclosure material,

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

(iii) any instrument or document of further assurance or collateral assignment,

(iv) the initial filing of financing statements,

(v) insurance of any of the 2020 Real Property or the 2020 Facilities or collection of insurance moneys,

(vi) the validity of the execution by the Corporation of this Trust Agreement, any Supplemental Agreement or instruments or documents of further assurance,

(vii) the sufficiency of the security for the Bonds executed and delivered hereunder or intended to be secured hereby,

(viii) the value of or title to the 2020 Real Property or the 2020 Facilities, or

(ix) the maintenance of the security hereof, except that, in the event that the Trustee enters into possession of a part or all of the 2020 Real Property or the 2020 Facilities pursuant to any provision of the Purchase and Use Agreement or any other instrument or document collateral thereto, the Trustee shall use due diligence in preserving that property.

The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements or obligations on the part of the Corporation or the City under the Purchase and Use Agreement except as set forth hereinafter; but the Trustee may require of the Corporation or the City

full information and advice as to the observance or performance of those covenants, agreements and obligations.

(c) Except with respect to the disbursement of amounts deposited with or received by it under the provisions of this Trust Agreement, the Trustee shall not be accountable for the application by the City or any other Person of the proceeds of the Bonds. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

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

(e) As to the existence or nonexistence of any fact for which the Corporation or the City may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed on behalf of the Corporation by a Corporation Representative or the City by a City Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default of which the Trustee has been notified or is deemed to have notice as provided in paragraph (f) of this Section, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence.

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

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may inspect and copy fully all books, papers and records of the Corporation pertaining to the 2020 Real Property and the 2020 Facilities, and may make any memoranda from and in regard thereto as the Trustee may desire.

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

(i) Notwithstanding anything contained elsewhere in this Trust Agreement, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and corporate action and evidence thereof, in addition to those required by the terms hereof, as a condition to the authentication and delivery of any Bonds or the taking of any action whatsoever within the purview of this Trust Agreement, if the Trustee deems it to be desirable for the purpose of establishing the right of

any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder pursuant to Section 6.4 or Article VII hereof (with the exception of any action required to be taken under Section 7.2 hereof), the Trustee may require that an indemnity bond satisfactory to it be furnished to the Trustee by the Holders for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without such indemnity, and in that case, all of the Trustee's expenses pursuant to Section 6.3 hereof with respect to the Bonds will be reimbursable as provided in the Purchase and Use Agreement.

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

(1) Any opinions, certificates and other instruments and documents for which provision is made in this Trust Agreement, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its action taken hereunder.

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

SECTION 6.3. Fees, Charges and Expenses of Trustee. The Trustee acknowledges receipt of payment in full from the proceeds of the Bonds for its fees for its Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses reasonably and necessarily paid or incurred, or to be paid or incurred, by it in connection with the provision of Ordinary Services to the date hereof. The Trustee shall be entitled to the payment of its annual charges upon invoice to the Corporation (which pursuant to the Purchase and Use Agreement shall be payable by the City). In the event that it should become necessary to perform Extraordinary Services including any such Extraordinary Services relating to a default or post-default situation, with respect to the Bonds, the Trustee shall be entitled to reasonable extra compensation therefor, determined in accordance with the Trustee's then-current fee schedule, and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith. After an Event of Default, the Trustee shall have a lien on the Trust Estate with right of payment prior to payment on account of interest, principal and premium, if any, on the Bonds for such Extraordinary Expenses.

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

The Trustee, in that or its other capacities, shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by its negligence or willful misconduct.

Any amounts payable under this Section 6.3 are payable upon demand and shall bear interest

from the date of demand therefor at the prime rate quoted from time to time by the banking association serving as Trustee.

SECTION 6.4. Intervention by Trustee. The Trustee may and shall, at the direction of the Holders of at least 25% of the aggregate principal amount of the Outstanding Bonds, intervene in any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it by the Holders in accordance with Sections 6.1 and 6.2 hereof before it takes action hereunder.

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

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

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

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

SECTION 6.7. Removal of Trustee.

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

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

(c) The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation, the City or the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds.

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

SECTION 6.8. Appointment of Successor Trustee.

(a) If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Corporation (with the agreement of the City if there is no Event of Default and no Event of Nonappropriation under the Purchase and Use Agreement); provided, that if a successor Trustee is not so appointed within ten days after (x) a notice of resignation or any instrument or document of removal is received by the Corporation as provided in Sections 6.6 and 6.7 hereof, respectively, or (y) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Bonds not paid or provided for may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 60 days of the occurrence of any event listed in Section 6.8(a)(i)-(iii) hereof, the Holder of any Outstanding Bond hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. Notwithstanding any other provision of this Trust Agreement to the contrary, no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee hereunder.

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

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

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

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

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

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

SECTION 6.11. Right of Trustee to Pay Taxes and Other Charges. Reference is made to the Purchase and Use Agreement whereby the Corporation is authorized to advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2020 Real Property and the 2020 Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2020 Real Property and the 2020 Facilities, (iii) to obtain and maintain insurance for the 2020 Real Property and the 2020 Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the City fails to do so as required by such Purchase and Use Agreement or the Base Lease. The Trustee may make those advances but shall not be required to do so (and may require indemnification) pursuant to Sections 6.1(e)(iv) hereof, but without prejudice to any rights of the Trustee as assignee of the Corporation against the City for failure of the City to do so.

ARTICLE VII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

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

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

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

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

or conditions on the part of the Corporation in this Trust Agreement or in the Bonds contained; or

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

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

SECTION 7.2. Notice of Default. In the event the Trustee becomes aware of the occurrence of any of the events described in Section 7.1 above with respect to the Purchase and Use Agreement, the Trustee shall give written notice of the Event of Default, by registered or certified mail or by overnight delivery, to the City and the Corporation, within 10 days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs of which the Trustee has notice pursuant to this Trust Agreement, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Outstanding Bonds as shown by the Register at the close of business 15 days prior to the mailing of that notice.

SECTION 7.3. Remedies; Rights of Holders.

(a) <u>General</u>. Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of any amounts due with respect to the Bonds or the observance and performance of any other covenant, agreement or obligation under this Trust Agreement, the Purchase and Use Agreement (including but not limited to the right to relet the Corporation Facilities as provided in Section 8.2 of the Purchase and Use Agreement) pertaining thereto or any other instrument providing security, directly or indirectly, for the Bonds. If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25% of the aggregate of the principal amount of the Outstanding Bonds, the Trustee (subject to the provisions of Sections 6.1 and 6.2 hereof, including being indemnified as provided therein) shall exercise one or more rights and powers conferred by this Section as the Trustee, upon advice of counsel, deems most expedient in the interests of the Holders of such Bonds.

(b) <u>Acceleration</u>. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then, and in each and every case, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, to declare the principal of all Outstanding Bonds, except as noted below, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Trust Agreement or any Supplemental Agreement or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable amount of all Bonds which

have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 25% in principal amount of the Outstanding Bonds, by notice in writing delivered to the Trustee and the Corporation, may waive such Event of Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent default.

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

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

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

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

(iv) bring suit upon the Bonds;

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

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

(d) <u>Remedies Under Uniform Commercial Code</u>. Subject to the terms of the Base Lease, the Trustee may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect.

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

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

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

SECTION 7.5. Application of Moneys.

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

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

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

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

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

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

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

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

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

SECTION 7.7. Rights and Remedies of Holders. A Holder of a Bond shall not have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless there has occurred and is continuing an Event of Default of which the Trustee has been notified or is deemed to have notice as provided in Section 6.2(f) hereof; the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action of the Trustee, such notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

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

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

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

ARTICLE VIII SUPPLEMENTAL AGREEMENTS

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

SECTION 8.2. Supplemental Agreements Not Requiring Consent of Holders. Without the consent of, or notice to, any of the Holders[, the Bond Insurer], the Corporation and the Trustee may

enter into Supplemental Agreements which may be for any one or more of the following purposes:

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

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

(c) To assign additional revenues under this Trust Agreement;

(d) To accept additional security and instruments and documents of further assurance with respect to the 2020 Real Property and the 2020 Facilities;

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

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

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

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

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

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

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

(1) Subject to the prior written consent of the Holders of the Series 2020 Bonds, if required pursuant to Section 3.4(c) hereof, to make provision for the issuance of Additional Bonds as provided for herein, including but not limited to the addition of any provisions related to a subaccount of the Reserve Account of the Bond Fund (or the establishment, maintenance, investment or use thereof) established for such Additional Bonds;

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

(n) To reflect a change in applicable law.

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

SECTION 8.3. Supplemental Agreements Requiring Consent of Holders. Exclusive of Supplemental Agreements to which reference is made in Section 8.2 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds at such time, evidenced as provided in this Trust Agreement [and the prior written consent of the Bond Insurer pursuant to Section 13.1(v)], the Corporation and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of this Trust Agreement or restricting in any manner the rights of the Holders. Nothing in this Section or Section 8.2 hereof shall, however, be construed as permitting:

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

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

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

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

If the Trustee shall receive, within a period described by the Trustee of not less than 60 days but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents (which instrument or document or instruments or documents shall refer to the proposed Supplemental Agreement in the form described in the notice), by which the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds consent to the execution of such Supplemental Agreement, the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Agreement in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond executed and delivered in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Agreement). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent

received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the City a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

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

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

SECTION 8.4. Consent of City. Anything contained herein to the contrary notwithstanding, a Supplemental Agreement executed and delivered in accordance with this Article VIII which affects any rights or obligations of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of that Supplemental Agreement. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Agreement and a copy of the proposed Supplemental Agreement to be mailed to the City, as provided in Section 12.3 hereof, (i) at least 30 days (unless waived by the City) before the date of the proposed execution and delivery in the case of a Supplemental Agreement to which reference is made in Section 8.2 hereof, and (ii) at least 30 days (unless waived by the City) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Agreement for which provision is made in Section 8.3 hereof.

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

(a) That Supplemental Agreement shall form a part of this Trust Agreement;

(b) All terms and conditions contained in that Supplemental Agreement as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Trust Agreement for any and all purposes;

(c) This Trust Agreement shall be deemed to be modified and amended in accordance with the Supplemental Agreement; and

(d) The respective rights, duties and obligations under this Trust Agreement of the Corporation, the Trustee and all Holders of Outstanding Bonds shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Agreement.

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

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

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

ARTICLE IX DEFEASANCE

SECTION 9.1. Defeasance.

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

(b) Provision for the payment of the Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, under the provisions hereof (i) cash in an amount sufficient to make all payments specified above with respect to all of such Bonds, or (ii) Defeasance Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all payments specified above with respect to such Bonds, or (iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above not consist of cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements hereof.

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

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

(e) Prior to any defeasance becoming effective under this Trust Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel, satisfactory to the Trustee, to the effect that interest on the Bonds being paid by such defeasance will not become subject to Federal income taxation by reason of such defeasance.

SECTION 9.2. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Trust Agreement which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and payments to the City from the Bond Fund pertaining to the Purchase and Use Agreement and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Holders, notwithstanding, the release and discharge of this Trust Agreement. The provisions of this Article shall survive the release, discharge and satisfaction of this Trust Agreement.

ARTICLE X ADDITIONAL COVENANTS AND AGREEMENTS OF THE TRUSTEE

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

(a) <u>Register.</u> At reasonable times and under reasonable regulations established by the Trustee, the Register for the Bonds may be inspected and copied by the Corporation, the City or Holders of 25% or more in principal amount of the Outstanding Bonds, or a designated representative therefor.

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

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

The Trustee represents and warrants that:

(a) It is duly authorized to execute and deliver this Trust Agreement and to perform its obligations hereunder in the manner and to the extent set forth in this Trust Agreement.

(b) All actions required on its part to be performed for the execution and delivery of the Bonds and this Trust Agreement have been or will be taken duly and effectively.

ARTICLE XI AMENDMENTS TO BASE LEASE AND PURCHASE AND USE AGREEMENT

SECTION 11.1. Amendments Not Requiring Consent of Holders. Without the consent of or notice to the Holders [or the Bond Insurer], the Trustee, as trustee and as lessor by assignment, may consent and, at the direction of the Corporation, shall consent to any amendment, change or modification of the Base Lease and the Purchase and Use Agreement as may be required (i) by the provisions of the Base Lease, the Purchase and Use Agreement or this Trust Agreement, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Base Lease or the Purchase and Use Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Trust Agreement pursuant to Section 8.2 hereof, (iv) in connection with the issuance of Additional Bonds as provided for herein, or (v) in connection with any other change therein which is not to the prejudice of the Trustee (in the judgment of the Trustee) or the Holders. No such consent of or notice to the Holders or the Trustee shall be required with respect to any amendment to add to the description of the 2020 Real Property any property owned or to be acquired by the City (including Additional Real Property) that becomes a part thereof or, except as provided therein, in connection with the granting of easements and releases, modifications and substitutions of property pursuant to Section 3.6 of the Base Lease or Section 5.1(c) of the Purchase and Use Agreement[; provided, however, that nothing in this sentence shall affect the Bond Insurer's right to consent to the actions herein described, if provided by the terms of the Base Lease or Purchase and Use Agreement].

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

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

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

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

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

ARTICLE XII MISCELLANEOUS

SECTION 12.1. Limitation of Rights. With the exception of rights conferred expressly in this Trust Agreement, nothing expressed or mentioned in or to be implied from the Base Lease, the Purchase and Use Agreement or the Bonds is intended or shall be construed to give to any Person and the parties hereto and the Holders of the Bonds [and the Bond Insurer] any legal or equitable right, remedy, power or claim under or with respect to this Trust Agreement or any covenants, agreements, conditions and provisions contained herein. This Trust Agreement and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds [and the Bond Insurer] as provided herein.

SECTION 12.2. Severability. In case any section or provision of this Trust Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein and shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 12.3. Notices. Except as provided in Section 7.2 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is mailed by first class mail, postage prepaid. Notices to the Corporation, the City and the Trustee shall be addressed as follows:

If to the City:

City of Columbia, South Carolina Attn: City Manager 1737 Main Street Columbia, South Carolina 29201 If to the Corporation: Columbia Facilities Corporation c/o City of Columbia, South Carolina Attn: City Manager 1737 Main Street Columbia, South Carolina 29201 (with copy to the City as described above)

If to the Trustee:

Attention: Corporate Trust Department

[If to the Bond Insurer:]

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

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

SECTION 12.4. Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Trust Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of the Purchase and Use Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

SECTION 12.5. Payments Due on Saturdays, Sundays and Holidays. If any Bond Payment Date, redemption date or date of maturity of the principal of any Bonds is not a Business Day, then payment of interest, redemption premium (if any) or principal need not be made by the Trustee on that date, and that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Bond Payment Date, redemption date or date of maturity and no interest shall accrue for the period after that date.

SECTION 12.6. Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Trust Agreement to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval,

objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Trust Agreement, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

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

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

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

SECTION 12.7. Priority of this Trust Agreement. This Trust Agreement and the lien created hereby shall be superior to any other liens which may be placed upon the Revenues or any funds (or accounts therein) created pursuant hereto, except such liens as may be required or mandated by applicable law.

SECTION 12.8. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Trustee contained in this Trust Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the Trustee as such to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the Trustee contained in this Trust Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future member, officer, director, attorney, agent or employee of the Trustee or the Corporation in other than that person's official capacity. No official executing the Bonds, this Trust Agreement or any amendment or supplement hereto or thereto, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reasons of the issuance or execution hereof or thereof.

SECTION 12.9. Continuing Disclosure. The City has covenanted in the Purchase and Use Agreement to provide information under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("15c2-12"), as an Obligated Person (as defined in 15c2-12).

SECTION 12.10. Binding Effect. This Trust Agreement shall inure to the benefit of and shall be binding upon the Corporation and upon the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 12.11. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

SECTION 12.12. Governing Law. This Trust Agreement and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

SECTION 12.13. Limitation of Liability of Corporation. All payments to be made by the Corporation or obligations of the Corporation hereunder are payable solely from the Trust Estate and Revenues derived therefrom.

ARTICLE XIII PROVISIONS RELATED TO POLICY

SECTION 13.1. Policy and Special Provisions Required Thereby. So long as there shall be Series 2020 Bonds Outstanding and no Insurer Default has occurred and is continuing, the Corporation has covenanted, notwithstanding anything in this Trust Agreement (including specifically Section 3.18 hereof) to the contrary, to the Bond Insurer as follows:

[To be inserted]

SECTION 13.2. Claims Upon the Policy.

[To be inserted]

[Signature page to follow]

IN WITNESS WHEREOF, the Corporation has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer(s), on the dates of the respective acknowledgments effective as of the date first written above.

COLUMBIA FACILITIES CORPORATION

(SEAL)

Attest:

By:_____ Its: President

By:_____ Its: Secretary

_____, as Trustee

By:_____ Its: Vice President

[FORM OF SERIES 2020 BOND]

Unless this bond is presented by an authorized representative of The Depository Trust Company, New York, New York ("DTC") to Columbia Facilities Corporation or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Registered No. R-1

\$ _____

COLUMBIA FACILITIES CORPORATION INSTALLMENT PURCHASE REVENUE BONDS (CITY OF COLUMBIA PROJECT) SERIES 2020

Interest Rate	Maturity Date	Dated Date	CUSIP
%	1,		
Registered Owner: CEI	DE & CO.		
Principal Amount:		DOLLARS	

Columbia Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "State"), for value received hereby acknowledges itself obligated to, and promises to pay, the Registered Owner identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, on the Maturity Date set forth above, and to pay interest on the unpaid balance of said sum from the most recent ______1 or ______1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above (calculated on the basis of a 360-day year of twelve 30-day months) payable on ______1 and ______1 (each a "Bond Payment Date") of each year commencing _______1, _____, until the Corporation's obligation with respect to payment of the principal amount is discharged.

Interest is payable to the person in whose name this bond is registered at the close of business on the 15th day next preceding each Bond Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this bond is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the Holder in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the Holders of the Bonds not less than five days prior to such special record date to Holders thereof at the address as it appears on the bond register not less than 10 days preceding such special record date. If the Trustee registers the transfer of this bond subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the bond or bonds.

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

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

This bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to \$_____ and designated as Columbia Facilities Corporation, Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020 (the "Bonds"), issued under an Trust Agreement, dated _____, ____ (the "Trust Agreement"), between the Corporation and the Trustee, to provide funds to finance the costs of acquiring, constructing, renovating, installing and equipping new public facilities (the "2020 Projects") to be sold by the Corporation to the City _____ (the "Purchase and Use pursuant to an Installment Purchase and Use Agreement dated Agreement"), and to provide funds to the City to refund the Bonds to be Refunded (as defined in the Purchase and Use Agreement) and to defray the costs of acquisition, construction, renovation and equipping of public facilities (the "Ancillary Projects") which will not be subject to the Purchase and Use Agreement, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State, and pursuant to a resolution duly adopted by the Board of Directors of the Corporation. The City Council of the City has also adopted an ordinance approving the Corporation and the issuance of the Bonds by the Corporation. The City has leased the real property on which the 2020 Projects are or will be located to the Corporation under the terms of a Base Lease and Conveyance Agreement dated (the "Base Lease").

Pursuant to the Trust Agreement the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the Trust Estate which includes the Revenues (as defined in the Trust Agreement) consisting of the Installment Payments (as defined in the Trust Agreement) payable by the City under the Purchase and Use Agreement, any other sums arising under the Purchase and Use Agreement, and accounts created pursuant to the Trust Agreement and the investment income therefrom. As further security for the Bonds, the Trust Agreement

provides a 2020 Reserve Sub-Account in the Reserve Account of the Bond Fund (as such terms are defined in the Trust Agreement). The Trust Agreement further provides that the Corporation may issue additional bonds secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the extent described in the Trust Agreement. The City's obligation to pay Installment Payments under the Purchase and Use Agreement is subject to annual appropriations and the obligation may be terminated at the end of any fiscal year of the City by an Event of Nonappropriation (as defined in the Purchase and Use Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE CITY MAY TERMINATE THE PURCHASE AND USE AGREEMENT AS OF THE END OF THE FISCAL YEAR DURING WHICH SUCH EVENT OF NONAPPROPRIATION OCCURS, AND THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS BEYOND THE END OF SUCH FISCAL YEAR.

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

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

(a) In the event the City exercises its option pursuant to the Purchase and Use Agreement to prepay Base Payments, the Bonds maturing on and after ______1, ____, will be redeemed in whole or in part on any date, on or after ______1, ____, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

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

(c) The Bonds maturing on _____ 1, ____ (the "____ Term Bonds") are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium on either _____ 1 or _____ 1 for each of the years and in each of the amounts as follows:

 Bonds Maturing
 1,

 Date
 Principal Amount

*Final Maturity

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

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

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

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

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

The Bonds are transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this bond. Upon such transfer a new Bond or Bonds of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be issued to the transferee in exchange. The Trustee may require a Registered Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Trust Agreement in connection with the exchange or transfer. The Trustee need not exchange or register the transfer of a Bond which has been selected for redemption and need not exchange or register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed or before any ______1 or December 1. The Corporation, the City, the Trustee and any paying agent may treat the Registered Owner of this bond as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

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

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

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

COLUMBIA FACILITIES CORPORATION

By:_____ President

(SEAL)

Attest: _____

Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

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

Date of Authentication: _____, 2020

_____, as Trustee

By:_____Authorized Signatory

STATEMENT OF INSURANCE

[To be inserted]

[FORM OF ASSIGNMENT]

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

By: _____

(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed

Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the registered holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common UNIF GIFT MIN ACT -

(Authorized Officer)

Custodian (Minor) (Cust) (Minor) under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in above list.

EXHIBIT B

[FORM OF REQUISITION]

DIRECTION TO MAKE DISBURSEMENT

Requisition No.

Attention: Corporate Trust Department

Re: \$_____ Columbia Facilities Corporation, Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020.

Gentlemen:

As Trustee under the Trust Agreement dated ______ (the "Trust Agreement"), between you and Columbia Facilities Corporation (the "Corporation") and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of \$______, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Included herewith is documentation supporting the payments requested herein.

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

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2020 Projects that are properly capitalizable into the cost of acquiring tangible real or tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Columbia, South Carolina (the "City") and the Corporation, as the case may be, in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

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

Dated this _____day of _____, 20___.

CITY OF COLUMBIA, SOUTH CAROLINA

By:_____ City Representative

COLUMBIA FACILITIES CORPORATION

By:_____ Corporation Representative

[FORM OF FINAL REQUISITION]

DIRECTION TO MAKE FINAL DISBURSEMENT

Requisition No.

Attention: Corporate Trust Department

Re: \$_____ Columbia Facilities Corporation, Installment Purchase Revenue Bonds (City of Columbia Project) Series 2020

Gentlemen:

As Trustee under the Trust Agreement dated _______ (the "Trust Agreement"), between you and Columbia Facilities Corporation (and the "Corporation") and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund as the case may be, the total sum of \$______, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Said sum represents the final requisition from said Project Fund. Included herewith is documentation supporting the payments requested herein.

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

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2020 Projects that are properly capitalizable into the cost of acquiring tangible real and tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Columbia, South Carolina (the "City") and the Corporation, as the case may be, in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

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

D. The 2020 Projects are free and clear of all liens and encumbrances for labor or materials furnished by the Corporation and all contractors, subcontractors and materialmen retained by the City and all contractors, subcontractors and materialmen performing work on the 2020 Projects have been, or upon receipt by the City of the payment of the final requisition request will be, paid in full, except for those the Corporation is contesting in good faith and with due diligence as permitted under the Purchase and Use Agreement.

We further certify to you that the 2020 Projects have been substantially completed in accordance with all Acquisition or Construction Contracts (as defined in the Purchase and Use Agreement) and the terms and conditions of the Purchase and Use Agreement, and that the 2020 Projects as completed

comply in all material respects with all applicable governmental regulations. As used in this certificate, "substantial completion" of the 2020 Projects shall mean completion such that a certificate of occupancy has been, or could be, issued notwithstanding the fact that certain minor items of work remain to be done.

Dated this _____day of _____, 20___.

CITY OF COLUMBIA, SOUTH CAROLINA

By:______City Representative

COLUMBIA FACILITIES CORPORATION

By:_____ Corporation Representative

<u>EXHIBIT E</u>

Form of Purchase Contract

PURCHASE CONTRACT

\$[PAR]

CITY OF COLUMBIA, SOUTH CAROLINA COLUMBIA FACILITIES CORPORATION INSTALLMENT PURCHASE REVENUE BONDS [TAXABLE] SERIES 2020

[Pricing Date], 2020

City of Columbia, South Carolina Columbia, South Carolina

Columbia Facilities Corporation Columbia, South Carolina

Dear Members of City Council and Board of Directors of the Corporation:

The undersigned, [Underwriter] (the "Underwriter"), offers to enter into this Purchase Contract (the "Purchase Contract") with the City of Columbia, South Carolina (the "City") and the Columbia Facilities Corporation (the "Corporation"), which, upon the acceptance of this offer and the execution of this Purchase Contract by the City and the Corporation, shall be in full force and effect in accordance with its terms and shall be binding upon the City, the Corporation, and the Underwriter. This offer is made subject to your acceptance of this Purchase Contract on or before 5:00 p.m. local (City of Columbia) time, on [Sale Date], 2020, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to your offices at any time prior to the acceptance hereof by you. All terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Official Statement, the Trust Agreement, or the Continuing Disclosure Agreement (all as hereinafter defined).

1. *Offer and Sale of Bonds*. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriter hereby agrees to purchase from the Corporation [\$] aggregate principal amount of the Columbia Facilities Corporation Installment Purchase Revenue Bonds, [Taxable] Series 2020 (the "Series 2020 Bonds"), and the Corporation hereby agrees to sell to the Underwriter all (but not less than all) of the Series 2020 Bonds.

The purchase price for the Series 2020 Bonds shall be \$[Par] (representing the par amount of the Series 2020 Bonds less an Underwriter's discount of \$[], [plus] [minus] aggregate [net] original issue [premium] [discount] of \$[]). The Underwriter may change the offering prices of the Series 2020 Bonds at any time and from time to time.

2. *Authorization and Purposes*. The Series 2020 Bonds shall be authorized and issued pursuant to the following: (i) Title 33, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the "South Carolina Nonprofit Corporation Act"); (ii) an ordinance enacted by the City Council of the City (the "City Council") effective [], 2020 (the "Ordinance"); and (iii) a resolution adopted by the Board of Directors of the Corporation on [], 2020 (the "Resolution").

Proceeds of the Series 2020 Bonds will be used to finance (i) the costs of the City acquiring certain property to serve as a municipal government complex, on real property owned, or to be owned, or to be acquired, by the City and (ii) the costs of issuing the Series 2020 Bonds.

For the payment of principal of and interest on the Series 2020 Bonds, the Corporation has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, (i) all right, title and interest of the Corporation in and to the Revenues (with certain exceptions) including, without limitation, all Installments Payments and other amounts receivable by or on behalf of the Corporation under the Purchase and Use Agreement, (ii) all of the Corporation's right, title and interest in and to the 2020 Facilities, the Purchase and Use Agreement (except certain reserved rights), the Base Lease and Conveyance Agreement, dated as of [] 1, 2020 ("Base Lease"), between the City, as lessor, and the Corporation, as lessee, and the property rights in the 2020 Real Property and the 2020 Improvements evidenced by the Base Lease, (iii) certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and (iv) all moneys and investments held in certain funds and accounts created under the Trust Agreement.

The City leased the 2020 Real Property and conveyed the 2020 Improvements to the Corporation pursuant to the Base Lease. Under the terms of the Base Lease, the Corporation will pay an amount of \$[].00 representing prepayment of the Base Lease Rent for the Base Lease Term. The City is purchasing the 2020 Facilities from the Corporation pursuant to the Purchase and Use Agreement, which obligates the City to make Installment Payments consisting of (i) semiannual installment payments of purchase price ("Base Payments") to the Corporation in amounts calculated to be sufficient to enable the Corporation to pay, when due, the principal of, premium, if any, and interest on the Series 2020 Bonds, and (ii) Additional Payments due under the Purchase and Use Agreement. The City expects to pay the Installment Payments from [describe] and the proceeds of certain general obligation bonds that will be issued from time to time.

The Series 2020 Bonds shall be dated the date of their delivery, shall mature on such dates and in such principal amounts, shall bear interest at such rates, shall be reoffered at the prices and shall be subject to optional and mandatory sinking fund redemption on the dates and at the prices as are set forth in <u>Exhibit A</u> attached hereto and made a part hereof. The Depository Trust Company ("DTC") shall act as securities depository for the Series 2020 Bonds, which shall be issued in book-entry form only.

Official Statement. The City and the Corporation have previously provided to the 3. Underwriter copies of the Preliminary Official Statement with respect to the Series 2020 Bonds dated [POS Date], 2020 (the "Preliminary Official Statement"). As of its date, the Preliminary Official Statement has been "deemed final" by the City for purposes of Rule 15c2-12 ("Rule") under the Securities Exchange Act of 1934, as amended ("1934 Act"), except for the information permitted by the Rule to be omitted therefrom. The Official Statement shall be provided for distribution, at the expense of the City, in such quantity as may be requested by the Underwriter no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the Closing Date (as defined herein), in order to permit the Underwriter to comply with the Rule, and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"), with respect to distribution of the Official Statement. The City and the Corporation agree to prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and to provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriter no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32. The City and the Corporation hereby consent to and ratify the use by the Underwriter of the Preliminary Official Statement and the Official Statement and the information contained therein and authorize the Underwriter to use copies of the Preliminary Official Statement and

the Official Statement and the information contained therein and copies of the Ordinance and the Resolution in connection with the public offering and sale of the Series 2020 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2020 Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the final Official Statement pursuant to the rules of the MSRB and that any supplement or amendment to the Official Statement also shall be delivered to the initial purchasers of any Series 2020 Bonds.

4. **Offering**. The Underwriter intends to make an initial bona fide public offering of all the Series 2020 Bonds at not in excess of the public offering price or prices (nor lower than the yield or yields) set forth in Exhibit A hereto and may subsequently change such offering price or prices (or yield or yields) without any requirement of prior notice to the City or the Corporation. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Series 2020 Bonds into investment trusts) and others, as stated in Section 1 above, at prices lower than the public offering price or prices stated.

5. *Representations and Warranties of the City*. The City hereby represents and warrants to the Underwriter that:

(a) The City is a municipal corporation organized and existing under the laws of the State of South Carolina and is a political subdivision within the meaning of Section 103(c)(1) of the Code.

(b) The City is authorized by the laws of the State of South Carolina, including particularly Title 5, Chapter 7 of the Code of Laws of South Carolina 1976, as amended, to enact the Ordinance, to enter into this Purchase Contract, the Base Lease, the Purchase and Use Agreement, and a Disclosure Dissemination Agent Agreement among the City the Corporation and Digital Assurance Certification, LLC, as dissemination agent, dated the date of delivery of the Series 2020 Bonds (the "Continuing Disclosure Agreement"); this Purchase Contract, the Purchase and Use Agreement, the Base Lease, and the Continuing Disclosure Agreement are collectively referred to herein as the "City Agreements."

(c) The City has full power and authority to consummate the transactions contemplated by the Ordinance, the Official Statement, the other City Agreements, and as otherwise set forth herein.

(d) The City has duly approved and authorized the distribution and use of the Preliminary Official Statement and the delivery and distribution of the Official Statement; the City has delivered the Preliminary Official Statement to the Underwriter, and the City deems the Preliminary Official Statement to be final for the purpose of the Rule except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional [and mandatory] redemption provisions, sources and uses of funds, and delivery date of the Series 2020 Bonds; the Official Statement, as of its date, will be a final official statement as such term is defined in the Rule; and nothing has come to the City's attention which would lead it to believe that: (i) except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional [and mandatory] redemption provisions, sources and uses of funds, and delivery date of the Series 2020 Bonds, the information contained in the Preliminary Official Statement is not true and correct in all material respects or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading; and (ii) the information to be contained in the Official Statement will not be true and correct in all material respects or will contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement, in the light of the circumstances under which they are made, not misleading.

(e) The City has duly enacted the Ordinance, and duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Series 2020 Bonds upon the terms set forth herein, in the Ordinance, and in the Official Statement; (ii) the approval of the Official Statement; (iii) the application of the proceeds of the Series 2020 Bonds for the purposes described in the Official Statement; and (iv) the execution, delivery, and receipt of this Purchase Contract, the other City Agreements, and any and all such other agreements and documents as may be required to be executed, delivered, and received by the City in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement.

(f) The City Agreements, when executed and delivered by the City at or prior to the Closing (as defined herein) will constitute legal, valid, and binding obligations of the City enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditor's rights generally and general principles of equity.

(g) The Series 2020 Bonds and the City Agreements conform, and in the case of the Official Statement, will conform, in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

The operation of the 2020 Real Property and the 2020 Facilities in the manners (h) 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 2020 Real Property and the 2020 Facilities including, without limitation, Environmental Regulations. The City has caused or will cause the 2020 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 City possesses or will possess, and the City hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the 2020 Real Property and the 2020 Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the 2020 Real Property and the 2020 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 2020 Real Property and the 2020 Facilities. The City 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 2020 Real Property and the 2020 Facilities.

(i) The City, immediately after the Closing, will apply or cause to be applied the proceeds from the sale of the Series 2020 Bonds as specified in the Official Statement and as more fully described in the certificates delivered at the Closing. The City will not knowingly take or omit to take any action, which action or omission, will, in any way, cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Ordinance or the Official Statement or will cause the interest on the Series 2020 Bonds to be includable in gross income for federal income tax purposes.

(j) Except as stated in the Preliminary Official Statement or the Official Statement, there is no action, suit, hearing, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, agency, or body pending or, to the best of the City's knowledge, threatened against or directly affecting the City (nor, to the knowledge of the City, any meritorious basis therefor), contesting the due organization and valid existence of the City or wherein an unfavorable decision, ruling, or finding would, in any way, adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity or due enactment of the Ordinance or the validity, due authorization, and execution of this Purchase Contract and the other City Agreements, or any other agreement or instrument to which the City is a party and which is used or contemplated hereby or by the Official Statement, (ii) the exemption of interest on the Series 2020 Bonds from [federal income taxation] or taxation in South Carolina as described in Paragraph 5(1) below, (iii) the organization, existence, or powers of the City or the title of any of the members of the City Council or any officers of the City, or (iv) the business, properties, or assets or the conditions, financial or otherwise, of the City.

(k) The execution and delivery by the City of the Official Statement, this Purchase Contract, the other City Agreements, and the other documents contemplated hereby and by the Official Statement, and the enactment of the Ordinance and compliance with the provisions thereof, do not and, on the date of Closing, will not conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree, or order, or any agreement, indenture, mortgage, or lease by which it is or, on the Closing Date, will be bound.

(1) There is no legislation enacted or, to the best of the City's knowledge, pending, the effect of which would be to remove the exemption of the interest on the Series 2020 Bonds from any taxation under the laws of the State of South Carolina, except inheritance or other transfer taxes and certain franchise taxes.

(m) [Reserved]

(n) If, between the date of this Purchase Contract and the Termination of the Disclosure Period (hereinafter defined), any event shall occur which could reasonably cause or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its own expense promptly prepare and furnish to the Underwriter (1) a sufficient number of copies of an amendment of or supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading, and (2) if such notification shall be subsequent to the Official Statement, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract:

(i) The "<u>Termination of the Disclosure Period</u>" shall mean the later of (1) the earlier of (x) the ninetieth day following the End of the Underwriting Period (as defined in subparagraph (ii) below) and (y) the time when the Official Statement is available to any person from the MSRB, and (2) the twenty-fifth day following the End of the Underwriting Period; and

(ii) The "<u>End of the Underwriting Period</u>" shall mean the later of (1) the Closing Date, unless the City and the Corporation have been notified in writing by the Underwriter on or prior to the Closing Date that the End of the Underwriting Period for purposes of the Rule will not occur on the Closing Date and (2) the date on which notice is given to the City and the Corporation by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given

notice to the City and the Corporation pursuant to clause (1) of this subparagraph (ii) that the End of the Underwriting Period will not occur on the Closing Date, the Underwriter agrees to notify the City and the Corporation in writing as soon as practicable of the End of the Underwriting Period for purposes of the Rule.

(o) The City has approved the issuance by the Corporation of the Series 2020 Bonds and the sale of the Series 2020 Bonds to the Underwriter.

(p) The City 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.

(q) Except as otherwise disclosed in the Preliminary Official Statement, the City is in material compliance with the City's undertakings, as provided under the Rule and, to the City's knowledge, the U.S. Securities and Exchange Commission (the "SEC") order dated August 24, 2016 (SEC Release No. 33-10143).

6. *Representations and Warranties of the Corporation*. The Corporation hereby represents and warrants to the Underwriter that:

(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 Purchase Contract, the Purchase and Use Agreement, the Series 2020 Bonds, the Trust Agreement, and the Base Lease (collectively, the "Corporation Agreements") and to perform each and all of the obligations of the Corporation provided herein and therein.

(b) The Corporation has taken or caused to be taken all requisite corporate action to authorize the execution and delivery of, and the performance of its obligations under this Purchase Contract, the Series 2020 Bonds, the other Corporation Agreements 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 the Official Statement, this Purchase Contract, the Series 2020 Bonds, and the other Corporation Agreements.

(d) Each of this Purchase Contract, the Series 2020 Bonds, the other Corporation Agreements 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.

(e) The Corporation has duly approved and authorized the distribution and use of the Preliminary Official Statement and the delivery and distribution of the Official Statement; the Corporation has delivered the Preliminary Official Statement to the Underwriter, and the Corporation deems the Preliminary Official Statement to be final for the purpose of the Rule except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds, and delivery date of the Series 2020 Bonds; the Official Statement, as of its date, will be a final official statement as such term is defined in the Rule; and nothing has come to the Corporation's attention which would lead it to believe that: (i) except for the offering prices, interest rates,

selling commissions, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds, and delivery date of the Series 2020 Bonds, the information contained in the Preliminary Official Statement is not true and correct in all material respects or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in light of the circumstances under which they were made, not misleading; and (ii) the information to be contained in the Official Statement will not be true and correct in all material respects or will contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are made, not misleading.

(f) The Corporation, immediately after the Closing, will apply or cause to be applied the proceeds from the sale of the Series 2020 Bonds as specified in the Official Statement and as more fully described in the certificates delivered at the Closing. The Corporation will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Series 2020 Bonds to be applied in a manner other than as provided in the Resolution or the Official Statement or would cause the interest on the Series 2020 Bonds to be includable in gross income for federal income tax purposes.

(g) Except as stated in the Official Statement, there is no action, suit, hearing, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, agency, or body pending or, to the best of the Corporation's knowledge, threatened against or directly affecting the Corporation (nor, to the knowledge of the Corporation, any meritorious basis therefor) contesting the due organization and valid existence of the Corporation or wherein an unfavorable decision, ruling, or finding would, in any way, adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity, due authorization, and execution of the Series 2020 Bonds, this Purchase Contract, the other Corporation Agreements, or any other agreement or instrument to which the Corporation is a party and which is used or contemplated hereby or by the Official Statement, (ii) the exemption of interest on the Series 2020 Bonds from federal income taxation or taxation in South Carolina as described in Paragraph 6(j) below, (iii) the organization, existence, or powers of the Corporation or the title of the members of the Board of Directors or any officers of the Corporation to their respective offices, or (iv) the business, properties, or assets or the conditions, financial or otherwise, of the Corporation.

(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) The delivery by the Corporation of the Official Statement and the execution and delivery by the Corporation of this Purchase Contract, the Series 2020 Bonds, the other Corporation Agreements, and the other documents contemplated hereby and by the Official Statement, and the adoption of the Resolution and compliance with the provisions thereof do not and, on the date of Closing, will not conflict with or constitute on the part of the Corporation a breach of or a default under any existing law, court or administrative regulation, decree, or order, or any agreement, indenture, mortgage, or lease by which it is or, on the date of Closing, will be bound.

(j) There is no legislation enacted or, to the best of the Corporation's knowledge, pending, the effect of which would be to remove the exemption of the interest on the Series 2020 Bonds from any taxation under the laws of the State of South Carolina, except inheritance or other transfer taxes and certain franchise taxes.

(k) [Reserved]

(1) If, between the date of this Purchase Contract and the Termination of the Disclosure Period, any event shall occur which could reasonably cause or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Corporation shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Corporation will at its own expense forthwith prepare and furnish to the Underwriter (1) a sufficient number of copies of an amendment of or supplement or amend the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading, and (2) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(m) Between the time of the Corporation's acceptance hereof and the Closing, the Corporation will not have executed or issued any bonds or notes or incurred any other obligations for borrowed money payable from, or secured by a pledge of, the Installment Payments or other security for the Series 2020 Bonds.

7. **Closing.** At 10:00 a.m., local (City of Columbia) time, on [Closing Date], 2020 (the "Closing Date"), or at such other time or such other date as shall have been agreed upon by the City, the Corporation, and the Underwriter, the Corporation will deliver, or cause to be delivered, to the Underwriter the Series 2020 Bonds, in fully registered form, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Series 2020 Bonds to the Trustee in federal or other immediately available funds (the "Closing"). Time shall be of the essence, and delivery at the time and place specified pursuant to this Purchase Contract is a further condition to the obligations of the Underwriter hereunder.

Payment and delivery of the Series 2020 Bonds as aforesaid shall be made at the offices of the City, or at such other place as the City, the Corporation, and the Underwriter agree upon, provided, however, that the Series 2020 Bonds will be physically delivered to DTC in New York, New York, or, at the direction of DTC, to [], as trustee (the "Trustee") under the terms of a "FAST" closing. Such payment and delivery is herein called the "Closing." The Series 2020 Bonds will be delivered as fully registered bonds in book-entry only form, in the form of one certificate per maturity for each series of the Series 2020 Bonds, and registered in the name of Cede & Co., as nominee for DTC. At the direction of the City and the Corporation, the Trustee shall release or authorize the release of the Series 2020 Bonds at the Closing to the Underwriter upon receipt of payment for the Closing Conditions. The Underwriter's obligation to purchase Series 2020 Bonds as aforesaid. 8. the Series 2020 Bonds at the Closing is subject to the following conditions which must be performed in a timely fashion as set forth herein: (i) the performance by the City and the Corporation of their obligations to be performed hereunder, and (ii) the following conditions, including the delivery by the City or the Corporation of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Official Statement shall not have been amended, modified, or supplemented except as may be agreed to by the Underwriter, and the Ordinance and the Resolution shall be in full force and effect and shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Series 2020 Bonds shall be applied as described in the Official Statement, (iii) all official action of the City and the

Corporation related to the Series 2020 Bonds shall be in full force and effect and shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter, and (iv) the City and the Corporation shall have duly enacted and there shall be in full force and effect such proceedings as, in the opinion of Co-Bond Counsel (as defined herein), shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter shall have the right to cancel its obligation to purchase the Series 2020 Bonds (and such cancellation shall not constitute a default hereunder by the Underwriter) if between the date hereof and the Closing:

> legislation shall be enacted or be actively considered for enactment by [(i)] the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by a committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the IRS or other governmental agency shall be made or proposed to be made with respect to federal taxation upon revenues or other income of the general character to be derived by the City or by any similar body, or upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired that have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, that, in the opinion of the Underwriter, materially and adversely affects the market price of the Series 2020 Bonds or the market price generally of obligations of the general character of the Series 2020 Bonds];

> (ii) any legislation, ordinance or regulation shall be enacted or be actively considered for enactment by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered that, in the opinion of the Underwriter, materially and adversely affects the market price of the Series 2020 Bonds;

> (iii) any action shall have been taken by the SEC that would require the registration of the Series 2020 Bonds under the Securities Act of 1933, as amended ("**1933** Act"), or the qualification of the Ordinance under the Trust Indenture Act of 1939, as amended, or it appears that the Underwriter, by selling the Series 2020 Bonds, would subject itself to liability under the 1933 Act, the 1934 Act or any securities or blue sky law of any State or other jurisdiction in the United States;

(iv) any event shall have occurred or shall exist that, in the opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect;

(v) there shall have occurred any outbreak of, or escalation in, hostilities or other national or international calamity or crisis or a financial crisis, including, but not limited to, the United States engaging in hostilities, or a Declaration of War or a national emergency by the United States on or after the date hereof which, in the sole opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(vi) trading shall be suspended, or new or additional trading or loan restrictions shall be imposed, by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Bonds or a general banking moratorium shall be declared by federal, South Carolina or New York authorities;

(vi) there shall have occurred any change in the financial condition or affairs of the City or the System the effect of which is, in the sole judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Series 2020 Bonds on the terms and in the manner contemplated by the Official Statement;

(vii) either of the ratings of the Series 2020 Bonds shall have been downgraded, or withdrawn, or becomes the subject of a published negative credit watch, which in the Underwriter's sole opinion, materially adversely affects the market price of the Series 2020 Bonds;

(viii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2020 Bonds or in any way contesting or questioning any authority for or the validity of the Series 2020 Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the City taken with respect to the issuance and sale thereof;

(ix) the "blue sky" or securities commission of any state or other jurisdiction in the United States has withheld registration, exemption, or clearance of the offering of the Series 2020 Bonds, and, in the sole opinion of the Underwriter, the effect of the withholding will materially and adversely affect the market price or marketability of the Series 2020 Bonds;

(x) the purchase of and payment for the Series 2020 Bonds by the Underwriter, or their resale or reoffering by the Underwriter, on the terms and conditions contemplated by this Purchase Contract and the Official Statement, is prohibited by any applicable law or governmental regulation or by order of any court, government authority, board, agency, or commission or would subject the Underwriter to liability under the 1933 Act, the 1934 Act, common law or otherwise;

(xi) additional material restrictions not in force on the date of this Purchase Contract have been imposed on trading in securities generally or by a governmental authority or Financial Industry Regulatory Authority, Inc.; or

(xii) there shall have occurred any event other than those listed above, the effect of which is, in the reasonable and exclusive judgment of the Underwriter, material and adverse to make it impractical or inadvisable to proceed with the offering of the Series 2020 Bonds on the terms and in the manner contemplated by the Official Statement.

(c) At the time of Closing, the City and the Corporation shall have duly adopted all proceedings required by applicable laws and regulations, State or federal, necessary to enable Co-Bond

Counsel to deliver an unqualified opinion with respect to due authorization, execution, and delivery of the Series 2020 Bonds.

(d) The Underwriter shall have received, within a sufficient time period for such Official Statement to accompany confirmations delivered by the Underwriter to potential investors in accordance with the rules of the MSRB but in no event later than seven business days following the date hereof, a quantity of Official Statement adequate to enable the Underwriter to meet the continuing obligations imposed on it by the Rule; provided, however, that the Underwriter may not terminate its obligations under this Purchase Contract as a result of the failure of this condition to be met unless such failure affects the Underwriter's marketing and sale of the Series 2020 Bonds or subjects the Underwriter to compliance infractions under the SEC or the MSRB delivery requirements.

(e) At or prior to the Closing, the Underwriter shall receive one executed copy of the following documents, unless otherwise indicated:

(i)(A) the unqualified approving opinions of Burr & Forman LLP d/b/a Burr Forman McNair ("Burr Forman McNair") and Johnson Toal & Battiste, P.A., as co-Bond Counsel ("Co-Bond Counsel") dated the date of Closing, addressed to the City and the Corporation and delivered to the Underwriter, in substantially the form of [Appendix C] of the Official Statement, and (B) supplemental opinions of Co-Bond Counsel dated the date of Closing and addressed to the Underwriter, in substantially the form set forth in <u>Exhibit B</u> attached hereto;

(ii) a certificate of the City which contains the following information, dated the date of Closing signed by an official of the City, in a form satisfactory to the Underwriter (A) that the representations and warranties of the City herein are true and correct in all material respects as of the date of the Closing; (B) attesting that the information with respect to the City contained in the Official Statement has not changed since the date thereof and on the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (C) setting forth the expectations of the City on the Closing Date that the proceeds of the Series 2020 Bonds will be used as provided in the Official Statement, which certification shall state that to the best of the knowledge and belief of the City, the City's expectations are reasonable;

(iii) a certificate of the Corporation which contains the following information, dated the date of Closing signed by the President of the Corporation, in a form satisfactory to the Underwriter (A) that the representations and warranties of the Corporation herein are true and correct in all material respects as of the date of the Closing; (B) attesting that the information with respect to the Corporation contained in the Official Statement has not changed since the date thereof and on the date of the Closing does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (C) setting forth the expectations of the Corporation on the Closing Date that the proceeds of the Series 2020 Bonds will be used as provided in the Official Statement, which certification shall state that to the best of the knowledge and belief of the Corporation, the Corporation's expectations are reasonable;

(iv) specimen of the Series 2020 Bonds;

(v) an opinion of the City Attorney, addressed to the City, the Underwriter, the Corporation and the Trustee and delivered to the Underwriter, dated the date of Closing, in substantially the form of <u>Exhibit C</u> attached hereto;

(vi) an opinion of [Burr & Forman, LLP d/b/a Burr Forman McNair], Counsel to the Corporation, addressed to the Corporation, the Underwriter, the City and the Trustee and delivered to the Underwriter, dated the date of Closing, in substantially the form of <u>Exhibit D</u> attached hereto;

(vii) evidence satisfactory to the Underwriter that the Series 2020 Bonds have been rated "[]" by Moody's Investors Service, Inc. ("Moody's) and "[]" by S&P Global Ratings ("S&P");

(viii) certified copies of the Ordinance and the Resolution;

(ix) the Official Statement;

(x) an opinion of Parker Poe Adams & Bernstein LLP;, Underwriter's Counsel, addressed to the Underwriter, in form satisfactory to the Underwriter;

(xii) executed copies of each of the other City Agreements and the other Corporation Agreements; and

(xiii) other certificates of the City or the Corporation or information of the City or the Corporation contained in certificates listed in the Closing Memorandum to be approved by Counsel to the City, Counsel to the Corporation, and Co-Bond Counsel, and such additional opinions as Co-Bond Counsel may reasonably request to evidence (A) compliance by the City with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the respective representations of the City and the Corporation contained herein, and (C) the due performance or satisfaction by the City and the Corporation at or prior to such time, of all agreements then to be performed and of all conditions then to be satisfied by the City.

If the City or the Corporation shall be unable to satisfy the conditions or the obligations contained in this Purchase Contract, or if the obligation of the Underwriter to purchase and accept delivery of the Series 2020 Bonds shall be terminated for any reason permitted by this Purchase Contract or, at the election of the City, if the Closing shall not occur by the DTC deadline on [Closing Date], 2020, this Purchase Contract shall terminate and neither the Underwriter, the City, nor the Corporation shall be under further obligation hereunder; except that the respective obligations to pay expenses to the extent applicable, as provided in Paragraph 14 hereof, shall continue in full force and effect.

The delivery of any certificate that is required to be delivered in accordance with this Purchase Contract shall be deemed to have been made if the terms of that certificate are included to the satisfaction of the Underwriter within any one certificate or any number of other certificates delivered or caused to be delivered by the party responsible for delivery.

9. [*Issue Price Certificate*. At the Closing, contemporaneously with the receipt of the Series 2020 Bonds, the Underwriter will deliver to the Corporation a receipt therefor and a certificate as to issue price of the Series 2020 Bonds confirming their reasonable expectations regarding the representations set forth in Section 4 hereof and as to such other matter reasonably required in order to

enable Burr Forman McNair, as Co-Bond Counsel, to render an opinion as to the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Bonds.]

10. *Opinions of Co-Bond Counsel*. The Corporation will furnish to the Underwriter a reasonable supply of copies of the opinion of Co-Bond Counsel to accompany delivery of the Series 2020 Bonds.

11. *Annual Audits*. The City agrees to furnish to the Underwriter, during the life of the outstanding Series 2020 Bonds, a copy of each annual audit report of the City.

12. *Mutual Performance*. The obligations of the City and the Corporation hereunder are subject to the performance by the Underwriter of its obligations hereunder.

13. *Survival of Representations, Warranties and Agreements.* All representations, warranties, and agreements of the City and the Corporation hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive delivery and payment of the Series 2020 Bonds.

14. **Payment of Expenses**. If the Series 2020 Bonds are sold to the Underwriter by the Corporation, the Corporation shall pay, out of the proceeds of the Series 2020 Bonds, any expenses incident to the performance of its obligations hereunder, including, but not limited to: (a) the costs of the preparation of the Preliminary Official Statement and final Official Statement for the Series 2020 Bonds, including the costs of all proofs and production of final proof, together with the number of copies which the Underwriter deems reasonable and the costs of delivery of the Preliminary Official Statement and final Official Statement; (b) the cost of the preparation, printing, and delivery of the Series 2020 Bonds in fully registered form; (c) the fees and disbursements of Co-Bond Counsel and any other experts or consultants retained by the Corporation, including Underwriter's Counsel, the Counsel to the City, Counsel to the Corporation, independent accountants, and the charges of Moody's and S&P; (d) fees and costs of the Trustee; and (e) the costs and expenses associated with rating presentations.

The Underwriter shall pay (a) all advertising expenses in connection with the public offering of the Series 2020 Bonds; (b) all other expenses incurred by it in connection with the public offering and distribution of the Series 2020 Bonds, including, but not limited to, the fees and disbursements of Underwriter's counsel; and (c) the cost of preparing and printing the blue sky memorandum and the disbursements for filing fees in connection with the aforesaid blue sky memorandum.

15. *Covenants of the City and the Corporation.* The City and the Corporation agree:

(a) To deliver promptly to the Underwriter such number of conformed copies of the Official Statement (and any amendments or supplements thereto), the Ordinance and the Resolution as the Underwriter may reasonably request;

(b) Not to supplement or amend, or cause to be supplemented or amended, the Official Statement at any time, or the Ordinance or the Resolution prior to the Closing, without the prior written consent of the Underwriter;

(c) During the distribution of the Series 2020 Bonds, or such longer period as a copy of the Official Statement shall be required by the rules of the MSRB to be delivered to a purchaser of Series 2020 Bonds, to prepare any amendment or supplement to the Official Statement that may, in the judgment of the City, the Corporation, or the Underwriter, be required so that the Official Statement as

amended or supplemented will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) To advise the Underwriter immediately of receipt by the City or the Corporation of any notification with respect to the suspension of the qualification of the Series 2020 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(e) To cooperate with the Underwriter including furnishing such information, executing such instruments and taking such other action in cooperation with the Underwriter as may be required to qualify the Series 2020 Bonds for offering and sale under the "blue sky" or other laws of such jurisdictions as the Underwriter may designate; provided that in connection with such qualification the City shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now subject; and

(f) Not to take or omit to take any action which action or omission will in any way cause the proceeds of the Series 2020 Bonds to be applied in a manner contrary to that provided in the City Agreements and the Corporation Agreements.

16. *Notices*. Any notice or other communication to be given to the City or the Corporation under this Purchase Contract may be given by delivering the same in writing to Burr Forman McNair, 1221 Main Street, Suite 1800, Columbia, South Carolina 29201, ATTENTION: Michael Seezen, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to [].

17. [*Establishment of Issue Price.* The Underwriter agrees to assist the City an the Corporation in establishing the issue price of the Bonds and shall execute and deliver at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached as <u>Exhibit E</u>, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Burr & Forman LLP d/b/a Burr Forman McNair, as bond counsel ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020 Bonds.

[Except as otherwise set forth in *Schedule I* attached hereto,] [T][t]he City and the Corporation will treat the first price at which 10% of each maturity of the Series 2020 Bonds ("10% test") is sold, on the sale date, to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the City and the Corporation the price or prices at which the Underwriter has sold, on the sale date, to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2020 Bonds, the Underwriter agrees to promptly report to the City and the Corporation the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2020 Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2020 Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing has occurred may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel.] For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2020 Bonds.

[The Underwriter has offered the Series 2020 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "*Initial Offering Price*"), or at the corresponding

yield or yields, set forth in the final official statement. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2020 Bonds for which the 10% Test has not been satisfied and for which the City, the Corporation and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "Hold-the-Offering-Price Rule"). So long as the Hold-the-Offering-Price Rule remains applicable to any maturity of the Series 2020 Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

The Underwriter will advise the City, the Corporation and the City's municipal advisor promptly when it has sold 10% of that maturity of the Series 2020 Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement relating to the initial sale of the Series 2020 Bonds to the public, together with the related pricing wires, contains or will contain certain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Series 2020 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or any selling group agreement relating to the initial sale of the Series 2020 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% Test has been satisfied as to the Series 2020 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The City and the Corporation acknowledge that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2020 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City and the Corporation further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a thirdparty distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2020 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020 Bonds.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020 Bonds to the public),

(iii) a purchaser of any of the Series 2020 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity

is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.]

17. Arm's-Length Transaction. The City and the Corporation acknowledge and agree that: (i) the transactions contemplated by this Purchase Contract are arm's-length, commercial transactions between the City and the Corporation and the Underwriter, in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor, or fiduciary to either the City or the Corporation; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to either the City or the Corporation with respect to the transactions contemplated hereby and the discussions, undertakings, and procedures leading thereto, irrespective of whether the Underwriter or its affiliates have provided other services or is currently providing other services to either the City or the Corporation on other matters; (iii) the only obligations the Underwriter has to either the City or the Corporation with respect to the transactions contemplated hereby expressly are set forth in this Purchase Contract; and (iv) the City and the Corporation have consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent they have deemed appropriate. The primary role of the Underwriter, as underwriter, is to purchase the Series 2020 Bonds for resale to investors, in an arm'slength, commercial transaction between the City and the Corporation and the Underwriter. The Underwriter, as underwriter, has financial and other interests that differ from those of the City and the Corporation.

19. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the City, the Corporation, and the Underwriter (including any successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof, except that the representation, warranties, and agreements of the City contained in this Purchase Contract shall also be deemed to be for the benefit of the person or persons, if any, who control the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended. Nothing in this Purchase Contract is intended or shall be construed to give any person, other than the persons referred to in this paragraph, any legal or equitable right, remedy, or claim under or in respect of this Purchase Contract or any provision contained herein. All of the representations, warranties and agreements of the City and the Corporation contained herein shall remain in full force and effect, regardless of (a) any investigation made by or on behalf of any Underwriter, (b) delivery of and payment for the City or (c) any termination of this Purchase Contract.

20. *Governing Law.* This Purchase Contract shall be governed by and construed in accordance with the laws of the State of South Carolina.

21. *Effectiveness; Counterpart Execution*. This Purchase Contract shall become effective upon your acceptance hereof and may be executed in counterparts and such counterparts shall constitute one and the same instrument.

22. *No Liability.* Neither the Mayor or members of the City Council, the Board of Directors nor any officer, agent, attorney or employee as such, in his or her individual capacity, past, present or future of the City or the Corporation, either directly or through the City, shall be charged personally by the Underwriter with any liability, or held liable to such Underwriter under any term or provision of this Purchase Contract or because of its execution or contemplated execution, or because of any breach or attempted or alleged breach thereof. It is expressly agreed and understood that the obligations of the City

and the Corporation under this Purchase Contract are solely corporate obligations and that no personal liability whatsoever shall attach to, or be incurred by, any past, present or future officer, agent, attorney or employee thereof. All personal liability of any character against every such past, present or future officer, agent, attorney and employee of the City or the Corporation is, by the execution of this Purchase Contract and as a condition of, and as part of the consideration for, the execution of this Purchase Contract, expressly waived and released. The immunity of the past, present or future officers, agents, attorneys and employees of the City and the Corporation under the provision contained in this Section shall survive the termination of this Purchase Contract.

[Signature page follows]

Very truly yours,

By: [UNDERWRITER]

By:_____ Its: []

Accepted and Agreed to as of the date first above written.

CITY OF COLUMBIA, SOUTH CAROLINA

By:_____ City Manager

COLUMBIA FACILITIES CORPORATION

By:_____

President

EXHIBIT A

The Series 2020 Bonds shall mature on the dates and bear interest at the rates and shall be reoffered at the prices as set forth below:

Maturity Date ([] 1)

Principal Amount

Interest Rate

Yield

Optional Redemption. In the event the City exercises its option pursuant to the Purchase and Use Agreement to purchase the Corporation's interest in the 2020 Facilities and pay the amount required to defease and redeem the Series 2020 Bonds or to prepay Base Payments, or in the event the City makes a voluntary prepayment under the Purchase and Use Agreement, the Series 2020 Bonds maturing on and after [] 1, 20[] will be redeemed in whole or in part at any time, on or after [] 1, 20[], by the Corporation at the redemption price of 100% of the principal amount thereof (to the extent not previously redeemed), plus accrued interest to such redemption date.

The Series 2020 Bonds maturing on and after [] 1, 20[], are subject to redemption at the Corporation's option, prior to maturity, on or after [] 1, 20[], as a whole or in part, at any time, and from time to time, and if in part in order of maturities selected by the Corporation, at a redemption price equal to the part amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date.

Special Optional Redemption. The Series 2020 Bonds are subject to special optional redemption if (a) any part of the 2020 Facilities is totally destroyed or is damaged to an extent that the rebuilding or repairing of that part of the 2020 Facilities would be impracticable, (b) there is discovered a material defect in the construction of the 2020 Facilities or any portion unusable by the City for its intended purposes, (c) all or substantially all of the 2020 Facilities relating to a particular building is taken by eminent domain, or (d) the City is deprived of the use of any part of the 2020 Facilities by reason of a defect in the title thereto.

Notice of Redemption

The notice of the call for redemption of Series 2020 Bonds will be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the registered owner of each Series 2020 Bond subject to redemption at such owner's address shown on the registration books of the Corporation on the 15th day preceding that mailing.

Partial Redemption

If less than all of the Series 2020 Bonds are called for redemption, the Series 2020 Bonds to be redeemed will be selected in the manner that the Corporation shall determine as set forth in a certificate of the Corporation filed with the Trustee. If less than all Series 2020 Bonds of any one maturity are called for redemption, the Trustee shall select the Series 2020 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2020 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2020 Bonds is Cede & Co., such selection shall be made by The Depository Trust Company consistent with its rules and regulations.

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF CO-BOND COUNSEL

[Closing Date], 2020

[Underwriter] [Address]

Re: [\$] Columbia Facilities Corporation Installment Purchase Revenue Bonds, Series 2020 (the "Series 2020 Bonds")

Ladies and Gentlemen:

We have acted at the request of the City of Columbia, South Carolina (the "City") as bond counsel in connection with the issuance and delivery by Columbia Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina, of the captioned bonds (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued by the Corporation pursuant to the Constitution and laws of the State of South Carolina and a Trust Agreement, dated as of [] 1, 2020 (the "Trust Agreement"), by and between the Corporation and ______, as Trustee. All capitalized terms used and not defined herein have the meanings provided for such terms in the Trust Agreement.

The Series 2020 Bonds are being issued for the purpose of providing funds, together with other available funds, to (i) finance the costs of the City acquiring certain property to serve as business and industrial park to enhance the City's economic development capacity; and (ii) pay the costs of issuing the Series 2020 Bonds. As required by the Trust Agreement, the Corporation and the City will enter into (i) a Purchase and Use Agreement dated as of [] 1, 2020 (the "Purchase and Use Agreement") to provide for Installment Payments sufficient to enable the Corporation to pay, when due, the principal of, premium, if any, and interest on the Series 2020 Bonds, and (ii) a Base Lease Agreement dated as of [] 1, 2020 (the "Base Lease").

We have examined such laws, documents and proceedings as we deemed necessary or appropriate under the circumstances to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the City and the Corporation contained in the Base Lease, the Purchase and Use Agreement and the Trust Agreement (hereinafter collectively referred to as the "Bond Documents"), and the Purchase Contract dated [Sale Date], 2020 (the "Purchase Contract"), by and among the City, the Corporation, and [Underwriter] (the "Underwriter"), certified proceedings, and other certifications furnished to us by or on behalf of the City or the Corporation, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Purchase Contract and the Continuing Disclosure Agreement dated the date hereof have been duly authorized, executed and delivered by the City and the Corporation in accordance with their terms, except as to enforcement of remedies which may be limited by applicable bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally (from time to time in effect), and except as enforcement of the indemnity provisions thereof may be limited by public policy. 2. The Official Statement dated [Sale Date], 2020 (the "Official Statement") has been duly authorized, approved and delivered by the City and the Corporation.

3. The Series 2020 Bonds conform as to form and tenor with the terms and provisions thereof as set out in the Official Statement.

4. All conditions precedent to the delivery of the Series 2020 Bonds contained in the Trust Agreement have been fulfilled.

5. The Series 2020 Bonds are exempt from registration under the Securities Act of 1933, as amended, as well as the South Carolina Uniform Securities Act of 2005, and the Trust Agreement is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

6. The City is a "political subdivision" within the meaning of Section 1.103-1(b) of the Income Tax Regulations of the United States Department of the Treasury.

In connection with the preparation of the Official Statement, we have generally reviewed information furnished to us by, and have participated in conferences with, the City, the City Attorney, Corporation the Underwriter, and Underwriter's Counsel. The information contained in the Official Statement under the headings entitled: ["INTRODUCTION," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX TREATMENT" and "Appendix B – Forms of Trust Agreement, Installment Purchase and Use Agreement and Base Lease and Conveyance Agreement"] is correct in all material respects and does not omit any statement which, in our opinion, should be included or referred to therein in order that the information set forth under such headings in the Official Statement be not misleading. Except as noted above, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2020 Bonds. We have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. We have, however, solely in our capacity as Bond Counsel to the Corporation, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements or to verify the information contained in the Official Statement, participated in the preparation of the Official Statement. It should be understood that our participation in the preparation of the Official Statement was limited in scope and did not include the activities customarily referred to as "due diligence." In the course of our activities, nothing has come to our attention that would lead us to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein made, in light of the circumstances under which they were made, not misleading (except that we make no statement as to the financial information and statistical data included in the Official Statement or in Appendix "A" thereto).

Very truly yours,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE CITY

[Closing Date], 2020

City of Columbia, South Carolina Columbia, South Carolina

Columbia Facilities Corporation Columbia, South Carolina

[Underwriter] [Address]

[Trustee] [Address]

Re: [\$] Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project), Series 2020

Ladies and Gentlemen:

As City Attorney to the City of Columbia, South Carolina, a municipal corporation and political subdivision created pursuant to the laws of the State of South Carolina ("City"), I have considered the issuance by the Columbia Facilities Corporation (the "Corporation") of its [\$] Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project), Series 2020 (the "Series 2020 Bonds"), pursuant to the terms of a Trust Agreement, dated as of [] 1, 2020 (the "Trust Agreement"), by and between the Corporation and ________, as Trustee. The Series 2020 Bonds are being sold to [Underwriter] (the "Underwriter") pursuant to the terms of a Purchase Contract dated [Sale Date], 2020 (the "Purchase Contract"), by and among the Underwriter, the Corporation and the City. Capitalized terms not otherwise defined herein and not normally capitalized shall have the meanings ascribed thereto in the Purchase Contract.

I have examined such laws, documents and proceedings as I deemed necessary or appropriate under the circumstances to render this opinion, including, particularly, without limiting the generality of the foregoing, the Base Lease, the Purchase and Use Agreement, the Purchase Contract, the Official Statement, and the ordinance of the City Council of the City enacted on [].

Based on the foregoing, I am of the opinion that:

1. The Base Lease, the Purchase and Use Agreement and the Purchase Contract have been duly authorized, executed and delivered by the City and constitute binding and enforceable agreements of the City in accordance with their respective terms, except as to enforcement of remedies which may be limited by applicable bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally (from time to time in effect), and except as enforcement of the indemnity provisions thereof may be limited by public policy.

2. The Official Statement has been duly authorized and delivered by the City for distribution in connection with the sale of the Series 2020 Bonds.

3. To the best of my knowledge and after due inquiry, the City has good and proper fee simple title to the 2020 Real Property, as defined in the Base Lease.

4. To the best of my knowledge and after due inquiry, with respect to the City, (i) there is no controversy or litigation of any nature now pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds, the Base Lease, the Purchase and Use Agreement, the Purchase Contract or the Official Statement, or in any way questioning or affecting the validity of the Series 2020 Bonds, the Base Lease, the Purchase and Use Agreement, the Purchase Contract or any proceedings of the City taken with respect to the issuance or sale of the Series 2020 Bonds, or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds, and (ii) there is no controversy or litigation of any nature now pending or threatened against the City relating to or questioning or affecting the organization or existence of the City or the title to office of the officers thereof.

Very truly yours,

Teresa A. Knox

City Attorney

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE CORPORATION

[Closing Date], 2020

Columbia Facilities Corporation Columbia, South Carolina

City of Columbia, South Carolina Columbia, South Carolina

[Underwriter] [Address]

[Trustee] [Address]

Re: [\$] Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project), Series 2020

Ladies and Gentlemen:

We have acted as counsel to Columbia Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "Corporation"), in connection with the issuance by the Corporation of its [\$] Columbia Facilities Corporation Installment Purchase Revenue Bonds (City of Columbia Project), Series 2020 dated the date hereof (the "Series 2020 Bonds"), pursuant to the terms of a Trust Agreement, dated as of [] 1, 2020 (the "Trust Agreement"), by and between the Corporation and ________, as Trustee. The Series 2020 Bonds are being sold to [Underwriter] (the "Underwriter"), pursuant to the terms of a Purchase Contract dated [Sale Date], 2020 (the "Purchase Contract"), by and among the Underwriter, the Corporation, and The City, South Carolina (the "City"). Capitalized terms not otherwise defined herein and not normally capitalized shall have the meanings ascribed thereto in the Purchase Contract.

In connection with this opinion, we have examined executed copies of the Purchase and Use Agreement, the Base Lease, the Trust Agreement, a specimen of the Series 2020 Bonds and the Certificate of Incorporation of the Corporation. We have further relied upon certifications of officers of the Corporation and public officials as to questions of fact material to my opinion without undertaking to verify the same by independent investigation.

Based on this examination, we are of the opinion as of the date hereof and under existing laws, as follows:

1. The Base Lease, the Purchase and Use Agreement and the Trust Agreement are valid and binding obligations of the Corporation in accordance with their terms, except as to enforcement of remedies which may be limited by applicable bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally, and except as enforcement of the indemnity provisions thereof may be limited by public policy.

2. The Purchase Contract has been duly authorized, executed and delivered by the Corporation and constitutes a binding and enforceable agreement of the Corporation in accordance with

its terms, except as to enforcement of remedies which may be limited by applicable bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally, and except as enforcement of the indemnity provisions thereof may be limited by public policy.

3. The Official Statement dated [Sale Date], 2020 has been duly authorized and delivered for distribution in connection with the sale of the Series 2020 Bonds.

4. To the best of our knowledge, with respect to the Corporation (i) there is no controversy or litigation of any nature now pending or threatened, restraining or enjoining the issuance, sale, execution or delivery of the Series 2020 Bonds, or in any way questioning or affecting the validity of the Series 2020 Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2020 Bonds and (ii) there is no controversy or litigation of any nature now pending or threatened against the Corporation relating to or questioning or affecting the organization or existence of the Corporation or the title to office of the officers thereof.

Very truly yours,

[EXHIBIT E]

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [], on its own behalf and as representative of [] and [], as underwriter (the "Underwriter"), hereby certify, based upon the information available to it, as set forth below with respect to the sale and issuance of the above-captioned obligations ("Bonds").

1. *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter has offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "*Initial Offering Prices*") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed, that, for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and that the Underwriter shall retain all Hold-the-Offering-Price Maturities. The Underwriter has not offered or sold any unsold Bonds in any Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. For the avoidance of doubt, "unsold Bonds," as used in this paragraph, refers to Bonds that continue to be held by the Underwriting Group as part of the primary offering of the Bonds."

[2.] [3.] *Defined Terms*.

(a) *City* means City of Columbia, South Carolina.

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([], 2020), or (ii) the date on which the Representative has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

[(b)][(d)] *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

[(c)][(e)] *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. A purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are

partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

[(d)][(f)] Sale Date means the date of execution of the Purchase Contract by all parties.

[(e)][(g)] *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Federal Tax Certificate of the City dated of even date herewith and with respect to compliance with the federal income tax rules affecting the Bonds, and by Burr & Forman LLP d/b/a Burr Forman McNair, as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax advice that it may give to the City from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[]

By:			
Name: _			

Dated: [Closing Date], 2020

SCHEDULE A

GENERAL RULE MATURITIES

MATURITY SCHEDULE

MATURITY		INTEREST			
<u>([] 1)</u>	AMOUNT	RATE	YIELD	PRICE	CUSIP
	\$	%	%	%	

[] []% Term Bond, Due []; Yield[]%^C; Price []%^C; CUSIP: []
 []% Term Bond, Due []; Yield[]%^C; Price []%^C; CUSIP: []

^c Priced to the call date of []

EXHIBIT F

Form of Preliminary Official Statement

Ratings:

Moody's: [] S&P: []

In the opinion of Burr & Forman LLP d/b/a Burr Forman McNair ("Burr Forman McNair"), Bond Counsel, under existing law, interest on the Bonds is includable in gross income for federal income tax purposes. Interest on the Bonds is exempt from all State of South Carolina, county, municipal, school district, and all other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or other transfer taxes, provided that the interest thereon may be includable for certain franchise fees or taxes. See "TAX TREATMENT" herein.



[\$]^{*} Columbia Facilities Corporation Installment Purchase Revenue Bonds [Taxable] Series 2020

Dated: Delivery Date

Due: [] 1, as shown on the inside front cover

This cover page and the inside cover page contain certain information for quick reference only. They are <u>not</u> a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Each capitalized term used, but not defined on this cover, has the meaning provided for that term in the Trust Agreement, dated as of [] 1, 2020 ("*Trust Agreement*"), between Columbia Facilities Corporation ("*Issuer*") and [Trustee], as trustee ("*Trustee*"), or the Installment Purchase and Use Agreement, dated as of [] 1, 2020 ("*Purchase and Use Agreement*"), between the Issuer and the City of Columbia, South Carolina ("*City*"). The bonds will be issued as Installment Purchase Revenue Bonds of the Issuer [Taxable] Series 2020 ("*Bonds*"), issued for the purpose of providing funds, together with other available funds, to (i) finance the costs of the City acquiring certain property to finance the costs of acquiring, designing and constructing certain facilities ("2020 Projects") to be used by the City, on real property owned by the City ("2020 Real Property"), and (ii) pay the costs of issuing the Bonds.

The Bonds are limited obligations of the Issuer secured by and payable from the Trust Estate. The Trust Estate consists primarily of the Issuer's right, title and interest in the Revenues, which includes Installment Payments and other amounts receivable by the Issuer under the Purchase and Use Agreement, subject to the Reserved Rights.

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

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL OF THE CITY TO PAY EACH INSTALLMENT PAYMENT DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY.

The Bonds will be issued only as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in bookentry form only (without certificates) in denominations of \$5,000 or any whole multiple thereof. Principal shall be paid on the maturity dates, as shown on the inside front cover, to the registered owner of each Bond at the principal corporate trust office of the Trustee, serving in its capacity as registrar and paying agent for the Bonds ("*Registrar/Paying Agent*"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be made directly to Cede & Co. Disbursements of payments to Beneficial Owners will be the responsibility of Direct Participants or Indirect Participants as described in this Official Statement, and neither the Issuer nor the City shall be responsible for disbursements.

The Bonds will be dated their Delivery Date and will mature on [] 1 in each of the years and in the principal amounts and bear interest at the rates shown on the inside front cover from the date of their issuance. Interest on the Bonds is payable on each [] 1 and [] 1, commencing [] 1, 2021, until maturity. The Bonds are subject to redemption prior to maturity as stated herein.

The Bonds are offered when, as and if issued and accepted by [Underwriter], as underwriter, subject to the approving opinion as to legality of Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, which is serving as Bond Counsel to the Issuer. Certain legal matters will be passed on for the Issuer by its counsel, [], Columbia, South Carolina; and for the Underwriter by its counsel, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina. Stifel, Nicolaus & Company, Inc., serves as Financial Advisor to the City. It is expected that the Bonds in definitive form will be available for delivery on or about [], 2020, through the facilities of DTC against payment therefor.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Issuer and the City deem the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission, except for information which may be omitted pursuant to such rule.

[Underwriter]

This Official Statement is dated [], 2020.

Throughout this Preliminary Official Statement, items marked with an asterisk are preliminary and subject to change.

\$[]^{*} SERIAL BONDS

DUE	PRINCIPAL	INTEREST			
[] 1	<u>AMOUNT</u> *	RATE	YIELD	PRICE	$\underline{\text{CUSIP}}^{\dagger}$

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence LLC. Copyright © 2020 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the City, the Underwriter, or their agents or counsel assume responsibility for the accuracy of such numbers.

REGARDING USE OF THIS OFFICIAL STATEMENT

For purposes of compliance with Securities and Exchange Commission ("SEC") Rule 15c2-12 ("Rule 15c2-12"), this document, including its Appendices, as all of the same may be supplemented or corrected by the Issuer or the City, from time to time ("Official Statement"), may be treated as an Official Statement with respect to the Bonds described in this Official Statement that is deemed final as of its date (or of any supplement or correction) by the Issuer and the City. Any addendum shall, on and after the date thereof, be fully incorporated and made a part of this Official Statement by reference.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND THIS STABILIZING MAY BE DISCONTINUED AT ANY TIME.

Neither the SEC nor any other federal, state or other governmental entity or agency will have passed on the accuracy or adequacy of this Official Statement or approved the Bonds for sale. Any representation to the contrary is a criminal offense.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

[Trustee], as trustee and registrar/paying agent, has not provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of information, (ii) the validity of the Bonds, or (iii) the tax status of the interest on the Bonds.

No dealer, broker, salesman or other person has been authorized by the Issuer or the City to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and, if given or made, other information or representations must not be relied on as having been authorized by the Issuer or the City. Certain information contained in this Official Statement may have been obtained from sources other than records of the Issuer or the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER THIS DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THE CITY SINCE THE DATE HEREOF.

Reference to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made in this Official Statement. Where full texts have not been included as Appendices to this Official Statement, they will be furnished on request.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF ISSUER AND THE CITY AND, WHILE BELIEVED TO BE RELIABLE, IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY. REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT.

THE BONDS WILL NOT BE REGISTERED OR QUALIFIED WITH THE SEC UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE TRUST AGREEMENT HAS NOT BEEN REGISTERED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

[As of the date of this Official Statement, the United States, including the State of South Carolina and the Issuer and the City, are in the midst of a pandemic caused by a novel coronavirus and resulting disease known as COVID-19. The pandemic has led to a declaration of emergency by the Governor of South Carolina and the issuance of progressively stringent orders regarding social distancing and suspending the operations of businesses in South Carolina other than those deemed "essential." COVID-19 and resulting social and business disruptions (collectively, "COVID") are expected to have a material impact on the City's (i) current operations, (ii) financial performance in the future, and (iii) sources of revenues, but the extent of those impacts cannot be predicted. This Official Statement identifies certain potential impacts of COVID on the City. Owing to the dynamic nature of COVID, there may be other impacts on the City not identified herein. Data presented in this Official Statement regarding revenues received by the City in prior fiscal years should not be relied upon as a projection of revenues to be received by the City in the present and future fiscal years.]

FINANCING PARTICIPANTS

ISSUER

Columbia Facilities Corporation Columbia, South Carolina

CITY

City of Columbia, South Carolina Columbia, South Carolina

UNDERWRITER

[] []

CO-BOND COUNSEL

Burr & Forman LLP d/b/a Burr Forman McNair Columbia, South Carolina

Johnson Toal & Battiste, P.A. Columbia, South Carolina

ISSUER COUNSEL

[] Columbia, South Carolina

UNDERWRITER'S COUNSEL

Parker Poe Adams & Bernstein LLP Columbia, South Carolina

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Inc. Columbia, South Carolina

TRUSTEE

Columbia, South Carolina]

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APPENDIX D -Agent Agreement

SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement, which includes its Appendices. The offering of the [\$] Installment Purchase Revenue Bonds of the Columbia Facilities Corporation, Taxable Series 2020 ("*Bonds*"), to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Each capitalized term used, but not defined in this Summary Statement, has the meaning provided for that term in the Trust Agreement, dated as of [] 1, 2020 ("*Trust Agreement*"), between Columbia Facilities Corporation ("*Issuer*") and [Trustee], as trustee ("*Trustee*"), or the Installment Purchase and Use Agreement, dated as of [] 1, 2020 ("*Purchase and Use Agreement*"), between the Issuer and the City of Columbia, South Carolina ("*City*"), as applicable.[‡]

The Issuer: Columbia Facilities Corporation is a nonprofit corporation organized and existing under the laws of the State of South Carolina ("State"). The City: The City is located in Richland County, South Carolina ("County"), in the central part of the State and has an area of approximately [] square miles. The City is the capital of the State. The Bonds: The Bonds will be issued in fully registered form, in denominations of \$5,000 or any whole multiple thereof, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds under a book-entry system, as described in this Official Statement. So long as the Bonds are held in book-entry-only form, beneficial owners of the Bonds will not receive physical bond certificates. It is expected that the Bonds will be dated and available for delivery in definitive form through the facilities of DTC on or about [Closing Date], 2020. Maturity: The Bonds will mature serially in successive annual installments on [] 1 in each of the years and in the principal amounts as shown on the inside front cover hereof. **Redemption:** The Bonds will [not] be subject to [optional] redemption[, as provided herein]. Security: For the payment of principal of and interest on the Bonds, the Issuer has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, (i) all right, title and interest of the Issuer in and to the Revenues (with certain exceptions) including, without limitation, all Installments Payments and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement, (ii) all of the Issuer's right, title and interest in and to the 2020 Facilities, the Installment Purchase Agreement (except certain reserved rights), the Purchase and Use Agreement (except certain reserved rights), the Base Lease and Conveyance Agreement, dated as of [] 1, 2020 ("Base Lease"), between the City, as lessor, and the Issuer, as lessee, and the property rights in the 2020 Real Property, as defined in and evidenced by the Base Lease, (iii) certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and (iv) all moneys and investments held in certain funds and accounts created under the Trust Agreement. The Bonds do not, and shall not be deemed to, constitute or create an indebtedness, liability or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit of the City. The Bonds and

the interest thereon are payable from and secured by the Trust Estate as described in and

[‡] Forms of the Trust Agreement, Base Lease and the Purchase and Use Agreement are each attached as part of Appendix B.

subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders of the Bonds.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL OF THE CITY TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY. THE PURCHASE AND USE AGREEMENT PROVIDES THAT, SUBJECT TO THE RIGHT OF NONAPPROPRIATION, THE CITY'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS THEREUNDER WILL BE ABSOLUTE AND UNCONDITIONAL.

- **Purpose:** The proceeds derived from the sale of the Bonds will be used, together with other available funds, to (i) finance the costs of acquiring, designing and constructing certain facilities ("2020 Projects") to be used by the City, on real property owned by the City ("2020 Real Property"), and (ii) pay the costs of issuing the Bonds.
- Tax Status:Under existing law, in the opinion of Burr & Forman LLP d/b/a Burr Forman McNair
("Burr Forman McNair"): (i) interest on the Bonds is includable in gross income for
federal income tax purposes; and (ii) interest on the Bonds is exempt from all State,
county, municipal and school district and other taxes or assessments imposed within the
State, except estate, transfer and certain franchise taxes.
- Professionals:Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, and Johnson
Toal & Battiste, P.A., Columbia, South Carolina, each serves as Co-Bond Counsel to the
Issuer. [Issuer Counsel], Columbia, South Carolina, serves as counsel to the Issuer.
[Underwriter] serves as Underwriter. Stifel, Nicolaus & Company, Inc., Columbia,
South Carolina, serves as Financial Advisor to the City. [Trustee] ("Trustee"), will act
as trustee, registrar and paying agent for the Bonds under the Trust Agreement.
- Authorization: The Bonds will be issued under and pursuant to the Trust Agreement.
- General: This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the final Official Statement will be placed on <u>http://emma.msrb.org</u>. Copies of the Preliminary Official Statement, the Official Statement, and related documents and information are available by contacting Issuer's Counsel, [Attorneys, Issuer Counsel], Columbia, South Carolina; telephone: []; email: []; or Bond Counsel, Michael Seezen, Burr & Forman LLP, 1221 Main Street, Suite 1800, Columbia, South Carolina 29201; telephone: (803) 799-9800, email: <u>mseezen@burr.com</u>.

This Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Bonds, the Issuer, the City, and other information pertinent to this issue.

All information included in this Official Statement has been provided by the City except where attributed to other sources. The summaries and references to all documents, statutes, reports and other instruments referred to do not purport to be complete, comprehensive or definitive, and each reference or summary is qualified in its entirety by reference to each document, statute, report or other instrument.

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is qualified by reference to its entire contents, including Appendices, as well as of the documents summarized or described in this Official Statement.

This Official Statement is provided for the purpose of furnishing certain information in connection with issuance of the [\$]* Columbia Facilities Corporation Installment Purchase Revenue Bonds, Taxable Series 2020 ("*Bonds*"). This Official Statement has been prepared under the supervision of the Columbia Facilities Corporation ("*Issuer*") and the City of Columbia, South Carolina ("*City*"). The information furnished in this Official Statement includes a brief description of the Bonds, the Issuer, the City, and the City's indebtedness, tax information, economic data and financial information and other matters. Also included are certain information and data pertaining to the Issuer and the City, and to the State. Each capitalized term used, but not defined in this Official Statement, has the meaning provided for that term in the Trust Agreement, dated as of [] 1, 2020 ("*Trust Agreement*"), between the Issuer and _______, as trustee ("*Trustee*"), or the Installment Purchase and Use Agreement, dated as of [] 1, 2020 ("*Purchase and Use Agreement*"), between the Issuer and the City, as applicable.¹

THE BONDS

Description of the Bonds

The Bonds are limited obligation bonds of the Issuer secured by and payable from the Trust Estate. The Bonds will be issued as registered bonds, under the book-entry system. The Bonds will be dated the date of their delivery, which is anticipated to be [Closing Date], 2020, will mature and bear interest at the rates and will initially be priced as shown on the inside front cover. Interest on the Bonds will be payable on [] 1 and [] 1 of each year (each a "*Record Date*"), commencing [] 1, 2021, until final payment of the principal thereof.

The Bonds will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in each year. The Bonds shall be numbered from R-1 upward, and will be registered on the registration books of the Issuer, which are to be kept for this purpose at the office of the Trustee, serving in its capacity as registrar and paying agent for the Bonds ("*Registrar/Paying Agent*"), at which its principal corporate trust business is administered.

Authorization for the Bonds

The Bonds will be issued under and pursuant to the Trust Agreement and a Resolution approved on [], 2020 ("*Resolution*"), by the Board of Directors of the Issuer ("*Issuer Board*").

Use of Proceeds

The proceeds derived from the sale of the Bonds will be used, together with other available funds, to (i) finance the costs of acquiring, designing and constructing certain facilities ("2020 Project") to be used by the City, on real property owned by the City ("2020 Real Property"), and (ii) pay the costs of issuing the Bonds.

¹ Forms of the Trust Agreement and the Purchase and Use Agreement are each attached as part of Appendix B.

Debt Service Requirements

Set forth below are the principal and interest payment requirements with respect to the Bonds. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory redemption amount is used. A description of the City's outstanding debt is set forth under "DEBT STRUCTURE."

Fiscal Year			
Ending			
June 30	Principal	Interest	<u>Total</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
Totals			

2020 Reserve Requirement and 2020 Reserve Subaccount

The Trust Agreement provides that the Issuer, at closing, shall create a separate subaccount in the Reserve Account of the Bond Fund ("2020 Reserve Subaccount") to provide for the 2020 Reserve Requirement and deposit in the 2020 Reserve Subaccount an amount equal to the 2020 Reserve Requirement. The Trustee shall use the funds in the 2020 Reserve Subaccount: (i) to the extent necessary to make up deficiencies in the subaccount of the Facilities Purchase Account established with respect to the Bonds ("2020 Facilities Purchase Subaccount"); and (ii) if all Base Payments with respect to the Bonds are current, to be credited against the last remaining required installments of Base Payments and for that purpose any remaining amounts in the 2020 Reserve Subaccount of the Facilities Purchase on or before the Bond Payment Date occurring on []. To satisfy the 2020 Reserve Requirement, and in lieu of cash-funding the 2020 Reserve Subaccount, the Issuer may provide a debt service reserve surety, which together with the moneys on deposit in the 2020 Reserve Subaccount equals

the 2020 Reserve Requirement. Concurrently with the issuance of the Bonds, the Insurer will provide its Municipal Bond Debt Service Reserve Insurance Policy ("*Reserve Policy*") as a debt service reserve surety which will satisfy the 2020 Reserve Requirement and no cash will be deposited in the 2020 Reserve Subaccount.

Book-Entry System

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE BONDS TO DIRECT AND INDIRECT PARTICIPANTS (AS DEFINED BELOW) OR BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC (AS DEFINED BELOW), THE DIRECT AND INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE ISSUER AND THE CITY FOR INCLUSION IN THIS OFFICIAL STATEMENT. ACCORDINGLY, THE ISSUER AND THE CITY NEITHER MAKE NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

Beneficial ownership interests in the Bonds will be available only in book-entry form. Beneficial owners of the Bonds ("*Beneficial Owners*") will not receive a physical bond certificate representing their interests in the Bonds purchased. So long as Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*") or its nominee is the registered owner of the Bonds, references in this Official Statement to the owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. Unless and until the book-entry-only system has been discontinued, the Bonds will be available only in book-entry-only form in denominations of \$5,000 or any whole multiple thereof.

The following description of DTC, its procedures and record keeping on beneficial ownership interests in the Bonds, payment of interest and other payments on the Bonds to DTC Participants or to Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and of other transactions by and between DTC, DTC Participants and Beneficial Owners is based on information furnished by DTC.

Depository Trust Company. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond in the aggregate principal amount of each maturity of the Bonds will be deposited with DTC.

DTC Participants and Indirect Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its participants are on file with the U.S. Securities and Exchange Commission ("SEC"). More information about DTC can be found at www.dtcc.com.

Beneficial Owners. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, unless the use of the book-entry system for the Bonds is discontinued.

Transfers and Exchanges. To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the enabling documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of notices be provided directly to them.

Notices; Redemption. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Consent and Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Registrar/Paying Agent as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Because DTC is treated as the Owner of the Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of the Beneficial Owners is unknown to the Issuer, to DTC or to the Registrar/Paying Agent, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

Principal and Interest Payments. Payments of principal, interest and any redemption premiums on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Registrar/Paying Agent, on the payable date in accordance with their

respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar/Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registrar/Paying Agent's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. The Issuer can give no assurance that Direct and Indirect Participants will promptly transfer payments to Beneficial Owners.

DTC may discontinue providing its service as depository with respect to the Bonds at any time by giving reasonable notice to the Registrar and Paying Agent or the Issuer. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, Bond certificates will be printed and delivered to DTC.

The Issuer and the Registrar/Paying Agent have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Trust Agreement to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Issuer, the City and the Registrar/Paying Agent cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of, premium, if any, and interest with respect to the Bonds, (ii) confirmations of their ownership interests in the Bonds, or (iii) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

NEITHER THE ISSUER, THE CITY NOR THE REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (ii) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (iii) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE BONDS UNDER THE TERMS OF THE TRUST AGREEMENT; (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Registrar/Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the

accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase the Bonds for which they cannot obtain physical certificates. In addition, because transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to the lack of a physical certificate. Beneficial Owners will not be recognized by the Registrar/Paying Agent as registered owners for purposes of the Trust Agreement, and Beneficial Owners will not be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

Redemption of the Bonds

Optional Redemption. If the City exercises its option pursuant to the Purchase and Use Agreement to purchase the Issuer's interest in the 2020 Facilities and pays the amounts required to defease and redeem the Bonds or to prepay Base Payments, or if the City makes a voluntary prepayment under the Purchase and Use Agreement, then the Bonds maturing on or after [] 1, 20[], are subject to redemption in whole or in part on any date on or after [] 1, 20[], by the Issuer, as a whole or in part, at any time, and from time to time, and if in part in order of maturities selected by the Issuer, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date.

Special Optional Redemption. If the City elects to prepay Installment Payments using Net Proceeds of applicable insurance policies, performance bonds, or condemnation awards pursuant to the provisions of the Purchase and Use Agreement because (a) any part of the 2020 Facilities is totally destroyed or is damaged to an extent that the rebuilding or repairing of that part of the 2020 Facilities would be impracticable, (b) there is discovered a material defect in the construction of the 2020 Facilities or any portion of the 2020 Facilities that renders the 2020 Facilities or any portion unusable by the City for its intended purposes, (c) all or substantially all of the 2020 Facilities relating to a particular building is taken by eminent domain, or (d) the City is deprived of the use of any part of the 2020 Facilities by reason of a defect in title thereto, the Bonds will be subject to redemption in whole or in part on any date, as selected by the Trustee, at the direction of the Issuer, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date.

[Mandatory Redemption. The Bonds maturing on [] 1, 20[], and [] 1, 20[], are subject to mandatory sinking fund redemption (to the extent not previously redeemed) at a redemption price of 100% of such principal amount, plus interest accrued to the redemption date, on [] 1 of each of the following years in the respective principal amounts for each year specified below:

YEAR <u>AMOUNT</u>

[†] Final maturity.

The amount of any mandatory sinking fund redemption shall be reduced to the extent Bonds of the applicable maturity have been purchased by the Issuer or redeemed by the Issuer, pursuant to any optional redemption provisions, in such manner as the Issuer shall direct, or, absent such direction, on a pro-rata basis.]

Notice of Redemption. The notice of the call for redemption of the Bonds will be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the registered owner of each Bond subject to redemption at such owner's address shown on the registration books of the Issuer on the 15th day preceding that mailing. Notice of redemption of the Bonds subject to redemption may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Holders of such Bonds, or, in the alternative, the notice given by the Trustee to such Bondholders expressly states that such redemption is conditioned on the deposit of funds sufficient for the redemption by the Issuer and that failing such deposit no redemption will take place.

Partial Redemption. If less than all of the Bonds are called for redemption, the Bonds to be redeemed will be selected in the manner that the Issuer determines as set forth in a certificate of the Issuer filed with the Trustee. If less than all of the Bonds of any one maturity are called for redemption, the Trustee will select the Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Bond is Cede & Co., such selection shall be made by the Securities Depository consistent with its rules and procedures.

Procedure in the Event of Revision or Discontinuation of Book-Entry Transfer System

In the event that the Issuer determines that it is in the best interest of the Issuer not to continue the bookentry system or that the interest of the Beneficial Owners of the Bonds may be adversely affected if the bookentry system is continued, then the Issuer will notify the Securities Depository and the Trustee of such determination and the Securities Depository will immediately notify the Participants of the availability, through the Securities Depository, of physical bonds. In such event, the Issuer will execute and the Trustee will authenticate, register and deliver physical bonds as requested by the Securities Depository or any Participant or Beneficial Owner of the Bonds in appropriate authorized denominations in exchange for the Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Issuer may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Issuer will either (i) engage the services of another Securities Depository or (ii) deliver physical bonds in the manner described above; provided, however, that the discontinuation of the book entry system of registration and transfer with respect to the Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the SEC.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event that any Bond is mutilated, lost, stolen or destroyed, the Issuer will execute and the Trustee may authenticate a new Bond of the same date, maturity and denomination as that mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond will first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there will be first furnished to the Issuer and to the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee together with such indemnity satisfactory to them. In the event any such mutilated, lost, stolen or destroyed Bond has matured, instead of issuing a duplicate Bond, the Issuer may pay the same. The Issuer and the Trustee may charge the holder or owner of such mutilated, lost, stolen or destroyed Bond with their reasonable fees and expenses in connection therewith.

PLAN OF FINANCE

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the issuance of the Bonds are estimated below.

Estimated Sources of Funds:	
Proceeds of the Bonds (includes [net] OIP/OID)	\$[]
Total Sources of Funds	<u>\$[]</u>
Estimated Uses of Funds:	
Deposit to Series 2020 Project Fund	\$[]
Costs of Issuance ¹	[]
Total Uses of Funds	\$[]

¹Includes legal and accounting fees, underwriter discount, initial fees of the Trustee, printing costs, rating agencies' fees, other costs related to the issuance of the Bonds, and a rounding figure.

Description of the 2020 Projects

The 2020 Projects are described below, primarily consisting of the designing for, constructing, acquiring, equipping, enlarging, extending or increasing each of the following, together with all appurtenances necessary, useful or convenient, for the maintenance and operation of the same:

[]

[]

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are limited obligations of the Issuer, secured by and payable from the Trust Estate.

Neither the financing obligations of the City under the Purchase and Use Agreement nor the Bonds themselves constitute, and shall not be deemed to constitute, or create an indebtedness, liability or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit of the City. The Bonds and their interest are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders, from time to time, of the Bonds.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATIONS OR REQUIREMENTS CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY.

For the payment of principal of and interest on the Bonds, the Issuer has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, (i) all right, title and interest of the Issuer in and to the Revenues (with certain exceptions) including, without limitation, all Installments

Payments and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement, (ii) all of the Issuer's right, title and interest in and to the 2020 Facilities (defined below), the Purchase and Use Agreement (except certain reserved rights), the Base Lease and the property rights evidenced by the Base Lease in the 2020 Real Property (as defined in the Purchase and Use Agreement), (iii) certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and (iv) all moneys and investments held in certain of the funds and accounts created under the Trust Agreement.

Under certain circumstances, the Trust Agreement will permit the Issuer to issue additional bonds ("*Additional Bonds*"), which will be equally and ratably secured on a parity basis with the Bonds under the Trust Agreement.

Base Lease

The City leased the 2020 Real Property and conveyed the 2020 Facilities to the Issuer pursuant to the Base Lease. Under the terms of the Base Lease, the Issuer will pay an amount of \$30.00 representing prepayment of the Base Lease Rent for the Base Lease Term.

Purchase and Use Agreement

The City is purchasing the 2020 Facilities from the Issuer pursuant to the Purchase and Use Agreement, which obligates the City to make Installment Payments consisting of (a) semiannual installment payments of purchase price ("*Base Payments*") to the Issuer in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Bonds, and (b) Additional Payments due under the Purchase and Use Agreement. The City expects to pay the Installment Payments from a host of different sources including fee in lieu of tax payments from new and existing businesses in the City and the proceeds of certain general obligation bonds that will be issued from time to time. See "PLAN OF FINANCE – Description of the 2020 Facilities" herein and see Appendix B for the form of the Purchase and Use Agreement.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL OF THE CITY (*"CITY COUNCIL"*) TO PAY EACH INSTALLMENT PAYMENT DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY.

2020 Facilities

The 2020 Facilities are comprised of the City's []. See "**PURCHASE AND USE AGREEMENT**" herein for a description of the 2020 Facilities.

Additional Bonds

Under certain circumstances, the Trust Agreement will permit the Issuer to issue Additional Bonds which will be equally and ratably secured on a parity basis with the Series 2020 Bonds under the Trust Agreement. See "TRUST AGREEMENT" herein and see Appendix B for the form of the Trust Agreement.

INVESTMENT CONSIDERATIONS

In analyzing the Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully review the following investment considerations prior to making a decision to purchase the Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Bonds. Additional investment considerations relating to the purchase of the Bonds. Additional investment considerations relating to the purchase of the Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Nonappropriation

The debt service on the Bonds will be payable from Installment Payments made by the City pursuant to the Purchase and Use Agreement. The obligation of the City to make Installment Payments under the Purchase and Use Agreement is limited to funds that are specifically budgeted and appropriated annually for that purpose. The City may terminate the Purchase and Use Agreement annually without any penalty.

Each Base Payment made by the City will cause title to an undivided interest in the 2020 Facilities, equal to that percentage of the Purchase Price represented by such payment, to transfer from the Issuer to the City. The Purchase and Use Agreement provides that, on its termination either by reason of default or nonappropriation, the 2020 Facilities (with preference given to entire components thereof, whenever possible and thereafter, portions of the 2020 Facilities) will be partitioned between the Issuer and the City based on their respective percentages of undivided interests in the title to the 2020 Facilities. The Purchase and Use Agreement sets forth the value assigned to particular components of the 2020 Facilities and the percentage of the 2020 Facilities being purchased on an annual basis, subject to adjustment as provided therein, which values will be used for purposes of any partition rather than the current market or other valuation of components of the 2020 Facilities. The determination of which particular components of the 2020 Facilities will remain with the Issuer and which components will be transferred to the City will be made by the Trustee, which may, in its sole discretion, select a Partition Consultant to assist, consult with, and make recommendations to the Trustee concerning the division of the 2020 Facilities.

The decision by the City to budget and appropriate funds to make Installment Payments may be made on the basis of various factors, including but not limited to the continuing need of the City for that portion of the 2020 Facilities which has not transferred to the City.

Continuing Need for Decreasing Interest in the 2020 Facilities

As the City makes Installment Payments over the term of the Bonds, its undivided interest in the 2020 Facilities will increase and the Issuer's undivided interest in the 2020 Facilities will decrease. As a result, the City's need for the portion of the 2020 Facilities retained by the Issuer will potentially diminish as the Issuer's undivided interest in the 2020 Facilities decreases. Moreover, as Installment Payments are made, the City's proportionate undivided interest in the 2020 Facilities will increase at a relatively faster rate than the outstanding principal amount of the Bonds and the Bonds will be reduced. In the later years of the term of the Bonds, the unpaid principal amount of the Bonds might exceed the fair market value of the Issuer's undivided interest in the 2020 Facilities and Use Agreement is terminated and the 2020 Facilities are partitioned between the Issuer and the City, the Purchase and Use Agreement directs that the Trustee (or a Partition Consultant (if any) selected by the Trustee) will direct the partition proceedings.

Ability to Issue Future General Obligation Debt

The ability of the City, should it choose to do so, to issue its general obligation debt during the term of the Bonds to provide funds to make Base Payments under the Purchase and Use Agreement will depend on, among other things, future credit market conditions, the future credit condition of the City, the future credit market access of the City, and the ability of the City to preserve its capacity to issue general obligation debt that does not require voter approval. The City has represented in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times sufficient to make such Base Payments when due. All amounts paid by the City under the Purchase and Use Agreement may be derived from any available source, including the proceeds of general obligation bonds issued by the City. The City approved an ordinance on [] 10, 2019 ("Ordinance"), authorizing specifically the issuance of general obligation bonds to make Base Payments. By adopting the Ordinance, the City has undertaken all necessary administrative approvals that would be conditions precedent to the issuance of any future general obligation bonds in support of the Bonds.

Contestability Period for General Obligation Debt

Should the City choose to make Base Payments utilizing the proceeds of its general obligation debt, two contestability periods may affect the issuance of the general obligation debt: (i) a 20-day contestability period of

the issuance of the general obligation bonds under South Carolina Code Annotated section 11-15-30 and (ii) a 60day contestability period of the ordinance authorizing the issuance of the general obligation bonds through the initiative and referendum provisions found in South Carolina Code Annotated sections 4-9-1220 and 11-27-40.

The 20-day contestability period commences from the date the record of the proceedings with respect to such general obligation bonds is filed and indexed in the office of the clerk of court of the City. At the conclusion of the contestability period, State law prohibits the filing of actions to contest the issuance of any such general obligation bonds. Should the City choose to issue general obligation bonds to make Base Payments, the City will file a record of the proceedings relating to the general obligation bonds as soon as possible in order to commence the contestability period and close the issuance of the bonds after the contestability period has expired.

The 60-day contestability period for a general obligation bond ordinance and repeal by referendum commences from the date of enactment by City Council of any ordinance authorizing the issuance of bonds which requires a pledge of the full faith and credit of the City. Should the City choose to enact future ordinances authorizing the issuance of general obligation bonds in order to make Base Payments, the risk of such ordinance being repealed using the initiative and referendum provisions could be mitigated by City Council publicizing a notice of the adoption of such ordinance in a newspaper of general circulation in the City. Publication of a notice of adoption reduces the time period in which a petition seeking repeal of the ordinance by referendum may be filed to 20 days.

There are no reported cases in South Carolina in which an issuance of bonds has been invalidated or overturned either by application of the contestability provisions under South Carolina Code Annotated section 11-15-30, or the initiative and referendum provisions contained in South Carolina Code Annotated sections 4-9-1220 and 11-27-40.

Remedies on Nonappropriation

If the City terminates the Purchase and Use Agreement, the Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee, until the expiration of the Base Lease ([] 1, 2050, unless terminated earlier as described herein), from the leasing of the portion of components of the 2020 Facilities that remain with the Issuer after the partitioning described above is accomplished. This restriction as to the use of the 2020 Facilities may limit the potential tenants to which the 2020 Facilities could be leased and could reduce the revenues generated from leasing the remaining 2020 Facilities. The 2020 Facilities are designed to be used solely for and can only be used for civic and public purposes. There can be no assurance of the value of the 2020 Facilities for any use other than public purposes in the event of termination of the Purchase and Use Agreement. In this event, the revenues from leasing the portion of components of the 2020 Facilities remaining with the Issuer, if any, may be substantially less than the amount of remaining debt service on the Bonds.

Changes in Law

From time to time, legislation has been introduced for consideration by the General Assembly designed to modify or, in some cases, prohibit the use of the installment purchase financing structure by local governments in South Carolina. Additionally, the South Carolina Attorney General has issued a non-precedential opinion questioning the legality of the installment purchase revenue bond structure, but has not opined definitively as to the legality of the installment purchase revenue structure. Such opinions and legislation are indicative of the potential for changes in law that could affect the installment purchase financing structure in South Carolina. Changes in law are rarely applied retroactively. Neither the City nor the Issuer can predict if any changes in State law affecting the installment purchase financing structure are on the horizon, or if such changes would have a material impact on the Bonds.

PURCHASE AND USE AGREEMENT

Payment Obligations and Conveyance of Property Interests

Pursuant to the Purchase and Use Agreement, the City has agreed to pay Installment Payments for the 2020 Facilities, which consist of (a) Base Payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Bonds, as and when the same shall become due and payable and (b) Additional Payments due under the Purchase and Use Agreement.

Under the terms of the Purchase and Use Agreement, on each payment or prepayment of Base Payments (other than from Bond proceeds and investment income thereof), title to an undivided interest in the 2020 Facilities, equal to that percentage of the Purchase Price represented by such payment or prepayment, will transfer from the Issuer to the City. Under the terms of the Purchase and Use Agreement, payment by the City of Base Payments also entitles the City to the use and occupancy of all of the 2020 Facilities during the applicable fiscal year in which such Base Payments are made.

The Issuer and the City understand and intend that the obligation of the City to pay Installment Payments under the Purchase and Use Agreement constitutes a current expense of the City, is dependent on lawful appropriations of funds being made by the City Council to pay Installment Payments due in each fiscal year, and will not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained in the Purchase and Use Agreement constitute a pledge of the general tax revenues, funds, moneys or credit of the City.

Under the Purchase and Use Agreement, the City will represent that it has no reason to believe, as of the Delivery Date, that it will not continue making Installment Payments through the entire term of the Purchase and Use Agreement, and that it reasonably believes that it will (1) pay the Installment Payments due or coming due under the Purchase and Use Agreement in order to continue to use the 2020 Facilities, (2) have adequate amounts through the proceeds of general obligation bonds issued by the City, in amounts and at times sufficient to make Base Payments when due, and (3) have adequate capacity to issue general obligation debt that does not require voter approval in amounts and at times sufficient to pay Base Payments when due. The Purchase and Use Agreement also provides that the City will represent and covenant that it presently intends to maintain on an annual basis its capacity under the constitutional debt limit to issue general obligation bonds without the need for a referendum in amounts contained therein are subject to the ability of the City to terminate the Purchase and Use Agreement and all obligations thereunder, as provided in the Purchase and Use Agreement.

Subject to the right of the City to terminate the Purchase and Use Agreement pursuant to the provisions of the Purchase and Use Agreement, the City has covenanted that it will adopt by June 30 of each year either an operating budget reflecting the levying of sufficient revenues or a debt service budget providing for the issuance of general obligation debt in a principal amount sufficient to make Base Payments coming due in the next succeeding fiscal year (in addition to all other general obligation debt service coming due in such fiscal year), and, subject to such provisions of the Purchase and Use Agreement apply such proceeds to the payment of Base Payments coming due in the next succeeding fiscal year.

Termination of Purchase and Use Agreement

ON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE PURCHASE AND USE AGREEMENT MAY BE TERMINATED AS OF THE END OF THE LAST FISCAL YEAR WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE CITY WILL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS PROVIDED FOR IN THE PURCHASE AND USE AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR (EXCEPT AS OTHERWISE PROVIDED THEREIN). The obligation of the City to make Installment Payments and to perform and observe the covenants and agreements contained in the Purchase and Use Agreement are absolute and unconditional in all events, except as expressly provided under the Purchase and Use Agreement.

Conveyance of Property Interest and Partition of Facilities

The Purchase and Use Agreement provides that on its termination, either by reason of default or nonappropriation, at the written direction of the Trustee, the City and the Issuer will proceed to partition the 2020 Facilities so that the percentage of undivided interests in the title to the 2020 Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components in accordance with the Purchase and Use Agreement. The date on which the Trustee gives such written direction will be the "Partition Date." Within a reasonable time after the Partition Date, the Trustee will propose a division of the 2020 Facilities. Trustee may in its sole discretion select a Partition Consultant to assist, consult with and make recommendations to the Trustee in the division of the 2020 Facilities. Trustee and the Partition Consultant, if selected, will endeavor, to the extent practicable, to allocate the 2020 Facilities between the City and the Issuer in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the City and the Issuer and the City, the Trustee and the Partition Consultant, if selected, will propose such partition as will, in the aggregate, best protect the interests of the Holders of the Bonds, subject to the provisions of the Purchase and Use Agreement.

The Purchase and Use Agreement further provides that, for purposes of any partition, the 2020 Facilities will be valued in the respective amounts as set forth on Exhibit B to the Purchase and Use Agreement and the percentage of the 2020 Facilities being purchased on an annual basis is also set forth therein, each being subject to adjustment as stated therein. In allocating the 2020 Facilities to the percentage of undivided interests in the entire 2020 Facilities to be conveyed to the City or retained by the Issuer, such values and percentages will be used rather than the current market or other valuation of Facilities Components associated therewith. The determination of which particular components of the 2020 Facilities will remain subject to the leasehold interest of the Issuer and which components will be transferred to the City will be made by the Trustee as set forth in the Purchase and Use Agreement. The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2020 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2020 Facilities partitioned to the City.

Prior to the expiration of the Waiver Period, an Event of Nonappropriation may, in certain circumstances, be waived by the Issuer or the Trustee (with the written consent of the Trustee) and must, in certain circumstances, be waived regardless of whether the Trustee or any other party consents.

Source of Installment Payments

As described above, the City expects to make Installment Payments, under the Purchase and Use Agreement, from any legally available source being lawfully appropriated by City Council, including, but not limited to, fee in lieu of tax payments from new or existing businesses within the City, general fund monies and proceeds of general obligation debt.

The City is authorized by the Constitution of the State of South Carolina, 1895, as amended ("*State Constitution*"), to incur general obligation debt without voter approval in an amount not exceeding eight percent of the assessed value of all taxable property of the City. The City has covenanted in the Purchase and Use Agreement that it presently intends to maintain 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; provided that nothing in the Purchase and Use Agreement limits the City from providing funds from any other source to pay Base Payments. If the City issues general obligation debt, either in the form of general obligation bonds or bond anticipation notes, from time to time, to provide funds to make Base Payments when due, then the Richland County Auditor is required by State law to levy an unlimited *ad valorem* tax to pay the City's general obligation debts.

TRUST AGREEMENT

The Bonds are limited obligations of the Issuer. As security for its obligations under the Bonds, the Issuer will assign to the Trustee, and grant a security interest in, the Trust Estate. The Trust Estate includes, among

other things, all right, title and interest of the Issuer in and to the Revenues (with certain exceptions) including, without limitation, all Installments Payments and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement, all of the Issuer's right, title and interest in and to the 2020 Facilities, the Purchase and Use Agreement (except certain reserved rights), the Base Lease and the property rights evidenced by the Base Lease in the 2020 Real Property, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement.

In the event the City terminates the Purchase and Use Agreement, the Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing of the portion of the 2020 Facilities that remain with the Issuer after the partitioning thereof is accomplished until the expiration of the Base Lease (the earlier of (a) [] 1, 2050, unless terminated earlier as described herein, or (b) the date on which the Bonds are discharged within the meaning of the provisions of the Trust Agreement) as described under Purchase and Use Agreement. The Base Lease requires the 2020 Facilities to always be operated for a civic or public purpose. This restriction, as to the use of the 2020 Facilities, will limit the potential tenants to which the 2020 Facilities could be leased and could reduce the revenues, if any, generated from leasing the Facilities. Under certain circumstances, the Bonds will also be payable from the Net Proceeds of insurance policies, surety bonds, or condemnation awards or proceeds received as a consequence of awards resulting from defaults under construction contracts with respect to the 2020 Facilities.

Payment Obligations of the Issuer and the City

The Bonds are obligations of the Issuer secured by and payable from the Trust Estate pledged under the Trust Agreement. The Bonds do not, and will not be deemed to, constitute or create an indebtedness, liability or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit of the City. The Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders, from time to time, of the Bonds.

The obligation of the City to pay Installment Payments under the Purchase and Use Agreement is a current expense of the City and is dependent on lawful appropriations of funds being made by the City Council to pay the Installment Payments due in each fiscal year under the Purchase and Use Agreement and will not in any way be construed to be a debt of the City in contravention of any applicable constitutional provisions or statutory limitations or requirements concerning the creation of indebtedness by the City, nor will anything contained therein constitute a pledge of the general tax revenues, funds, moneys or credit of the City.

Parity Obligations

Under certain circumstances, the Trust Agreement permits the Issuer, for specified purposes, and subject to the provisions of applicable law, to issue Additional Bonds, which will be equally and ratably secured on a parity basis with the Bonds under the Trust Agreement. Prior to the delivery of any Additional Bonds, the Trust Agreement provides that there must be executed and delivered an amendment or supplement to the Purchase and Use Agreement and the Base Lease, as applicable, pursuant to which the Installment Payments must be increased and the terms thereof must be extended, if necessary, so as to assure that the additional Installment Payments will adequately provide for the retirement of the Additional Bonds by making available sufficient money for the payment when due of principal and interest thereon.

ENFORCEABILITY OF REMEDIES

The realization of value from the pledge of the Trust Estate under the Trust Agreement on any default or nonappropriation of sufficient funds to make Installment Payments due under the Purchase and Use Agreement will depend on the exercise of various remedies specified by the Trust Agreement and the Purchase and Use Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement or the Purchase and Use Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Purchase and Use Agreement.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, reorganization, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally.

The undertakings of the Issuer and the City should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. § 901, et seq., and South Carolina Code Annotated section 6-1-10, each as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than onehalf in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

THE ISSUER

Organization and Corporate Powers

The Issuer was incorporated as a nonprofit corporation on August 19, 2019, pursuant to the provisions of the Nonprofit Corporation Act of 1994, Title 33, Chapter 31 of the South Carolina Code ("*Nonprofit Corporation Act*"). The Articles of Incorporation and Bylaws of the Issuer provide that the Issuer has been organized exclusively for public and charitable purposes, and, without limiting the Issuer Board's general authority to exercise all corporate powers, the Issuer is entitled to:

(a) acquire or lease real and personal property and develop, finance, refinance, construct, acquire, install and operate certain public facilities to be used by the City and such other projects located in and for the benefit of the City as may be permitted by applicable law;

(b) acquire, by gift, lease or purchase, and to sell, lease, sublease, convey, assign, mortgage, pledge or otherwise encumber any property, real or personal, incidental to carrying out such projects;

(c) finance or refinance the costs of acquiring, constructing, and installing projects by the issuance and sale from time to time of bonds in one or more series, or other financing means as is necessary, and desirable in accordance with applicable law;

(d) convey to the City unencumbered fee title and exclusive possession and use of the applicable projects, including any additions to such projects, on terms agreed on between the Issuer and the City; and

(e) carry on or engage in any other activities which the Issuer may deem necessary, proper or convenient in connection with the above powers so long as the Issuer is at all times operated as a nonprofit corporation as provided in the Nonprofit Corporation Act.

THE ISSUER HAS NO OPERATING HISTORY, HAS NO ASSETS, AND WILL HAVE NO ASSETS OTHER THAN ITS INTEREST IN THE 2020 FACILITIES.

The Articles of Incorporation of the Issuer provide that, on the dissolution of the Issuer, the remaining assets of the Issuer will be distributed to one or more governmental entities or exempt organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("*Code*").

Governing Body

The Issuer's Bylaws provide for three members of the Issuer Board. The number of directors of the Issuer Board may be increased or decreased, and the positions held by persons comprising directors may be modified, as may be determined from time to time by two-thirds vote of the Issuer Board. The Issuer's Bylaws provide that the Issuer Board is self-perpetuating.

Information concerning the current members of the Issuer Board is set forth below:

Name, Board Position/Office , President/Chair , Vice-President/Vice-Chair , Secretary/Treasurer Occupation

THE CITY

General Description

The City, located at the geographic center of the State, was formed in 1786. It is the City seat of the County and the capital of the State. In addition to being the governmental center of the State, the City is also the business, finance, education and transportation center of the State.

Administration of the City

The City is governed by a council-manager form of government. The Mayor and City Council, who are elected for four-year staggered terms, are vested with the legislative and policy-making powers of the City. Day-to-day activities are administered by a council-appointed City Manager who serves as the chief executive officer of the City and is responsible to the City Council for proper administration of all affairs of the City. The City Manager serves an indefinite term and is subject to removal by a majority vote of the City Council. Financial affairs are under the supervision of the Assistant City Manager for Finance and Economic Services who is appointed by the City Manager. The Finance Director reports to the Assistant City Manager for Finance and Economic Services and is responsible for debt administration, investments and appropriation expenditures and is custodian of all City funds. The General Services Director is responsible for the operation and maintenance of the Facilities.

The present members of the City Council, their occupations, and the dates which their current terms end are as follows:

Name	<u>Occupation</u>	Term Ends
Stephen K. Benjamin, Mayor	Attorney	December 31, 2021
Edward H. McDowell, Jr., Mayor Pro Tem	Retired	December 31, 2023
Tameika Isaac Devine	Attorney	December 31, 2021
William Brennent	Business Owner	December 31, 2023
Sam Davis [†]	Chief Executive Officer	December 31, 2021
Howard E. Duvall, Jr.	Retired	December 31, 2023
Daniel J. Rickenmann	Business Consultant	December 31, 2021

[†] Councilman Sam Davis is the Chief Executive Officer of BEKOTU and Associates, Inc.

Teresa B. Wilson has served as City Manager since January 2013. Ms. Wilson has served as the City's Director of Governmental Affairs and Assistant City Manager for Community Programs, Economic Development and Government Services. Ms. Wilson graduated from the University of South Carolina's Honors College and the University of South Carolina School of Law. Prior to joining the City, Ms. Wilson served as Government and Community Relations Coordinator for the University of South Carolina's Office of the President, and also served as a liaison for the University of South Carolina and the City of Columbia, as well as a number of community organizations.

Jeffery M. Palen has served as the Assistant City Manager for Finance and Economic Services and Chief Financial Officer since January 2013. Prior to his current position, Mr. Palen served as the City's Treasurer beginning in November 2008, and as hospital chief financial officer with Health Management Associates from 2005 to 2008. Mr. Palen graduated with a Bachelor of Science in Business and a Master's Degree in Business Administration from the University of South Carolina. Mr. Palen has held various positions in both the private and public sectors, including serving as the Deputy Treasurer and the Deputy Auditor for Lexington County.

Janice L. Alonso has served as the Finance Director of the City since July 2013. She has been employed with the City since December 2008, first as the Accounting Manager and, in August 2010, as the Deputy Finance Director. Ms. Alonso has held various positions in both private and public sectors, including Deputy Treasurer for Lexington County and Assistant Controller for Thermo Scientific. Ms. Alonso graduated from the University of South Carolina with a Bachelor of Science in Business. Ms. Alonso is also a Certified Government Finance Officer in South Carolina.

Services Provided

Tax-Supported Services

The City provides various local services which are funded primarily from the City's *ad valorem* tax levy. These services include public services and engineering, construction services, parks and recreation, police, fire and the convention center. The City also collects fees and user charges to offset the cost of providing certain of these services. See "FINANCIAL INFORMATION."

In order to provide these services, the City presently employs 2,710 full time employees, consisting of:

<u>Department</u>	Full Time
General Government	84
Judicial	65
Finance	55
Community Development	63
Public Safety	1209
Parks and Recreation	275
Public Service	45
General Services	382
Utilities/Engineering	532
Total	2710

Under State law, the City is not allowed to negotiate with collective bargaining groups. The City considers itself to have good relations with its employees.

Revenue-Supported Services

The City operates a waterworks and sewer system ("*System*") and a parking system ("*Parking System*"), which are administered by the City through the City Manager. Under the City Manager's direction, the financial operations of the System are administered by the City's Finance Director. The Utilities Department operates the System's two water treatment plants, water storage and pumping stations and the wastewater plant and sewer lift stations and maintains all water distribution and wastewater sewer collection systems. A total of approximately [] persons are employed in managerial, clerical, maintenance and other capacities relating to the System. The System provides water services to approximately 145,304 water customers, including approximately 103,025 Out-of-City customers and sewer services to approximately 62,117 customers, including approximately 28,012 Out-of-City customers.

The Parking System is managed by the General Services Director who reports directly to the Assistant City Manager for Public Services and employs approximately [] full-time employees. The Parking System consists of on-street parking facilities, which are metered, and off-street parking facilities consisting of eight garages and various parking lots.

Accounting Policies

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss or unauthorized use or disposition and to ensure that adequate accounting data are compiled to allow for preparation of financial statements of the City in conformity with generally accepted accounting principles.

The City has a policy of preparing its Financial Statements in conformity with Generally Accepted Accounting Principles. In addition, Section 5-7-240 of the State Code, requires that the financial statements be audited annually by independent certified public accountants.

Pension Obligations

Retirement: The South Carolina Retirement Systems ("*Systems*"), as administered by the South Carolina Public Employee Benefit Authority ("*Authority*"), maintains five independent cost sharing, multi-employer defined benefit plans. The City is a participating employer in the Systems and generally, the City's employees are covered by the Systems' South Carolina Retirement System ("*SCRS*") or the Police Officers Retirement System ("*PORS*") plans, unless the employee has elected to participate in the Optional Retirement Program ("*ORP*").

The SCRS plan offers retirement and other benefits, including disability, survivor and death benefits, to eligible employees. Both employees and employers are required to contribute to the SCRS a percentage of the participating employee's earnable compensation at a rate set by State law. The PORS plan offers retirement and other benefits for police officers employed by the City. Like the SCRS, both employees and employers are required to contribute to the PORS a percentage of the participating employee's earnable compensation at a rate set by State law.

For Fiscal Year 2019, the City made contributions to the SCRS of \$9,117,950 and to the PORS of \$7,519,937, which amounts equaled the statutorily required contributions to SCRS and PORS.

City employees eligible for participation in the SCRS may choose to participate in the ORP, which is a defined contribution plan in which participants direct the investments of their funds in a plan administered by one of four investment providers. The Systems assumes no liability for the ORP benefits and for this reason the ORP is not considered part of the retirement systems for financial statement purposes. Contributions to the ORP are set at the same rates as the SCRS. To participate in the ORP, participants must irrevocably waive participation in the SCRS.

Additionally, the Authority issues its own Comprehensive Annual Financial Report for the Systems ("*Report*"). A copy of the Report for Fiscal Year ended June 30, 2019, may be found at <u>https://peba.sc.gov/sites/default/files/cafr_2019.pdf</u>. Information for the Systems is also included in the Comprehensive Annual Financial Report for the State ("*State Report*"). A copy of the State Report may be found at <u>https://cg.sc.gov/sites/default/files/Documents/Publications%20and%20Reports/Comprehensive%20Annual%20Fin ancial%20Reports%20(CAFR)/FY2019/FY2019CAFR.pdf</u>.

Plan Contributions: Act No. 13 of 2017 (collectively, "*Plan Legislation*"), signed into law on April 25, 2017, statutorily sets the rates of contribution to the SCRS and PORS for both employees and employees through the fiscal year ending June 30, 2027. The Plan Legislation set the contribution rates through fiscal year ending June 30, 2027, as follows:

	SC	CRS	РО	RS
	Employer	Employee	Employer	Employee
Fiscal Year	Contribution	Contribution	Contribution	Contribution
2019-2020	15.56%	9.00%	18.24%	9.75%
2020-2021	16.56	9.00	19.24	9.75
2021-2022	17.56	9.00	20.24	9.75
2022-23	18.56	9.00	21.24	9.75
thru 2026-27				

Following fiscal year ending June 30, 2027, the Plan Legislation reverts the authority to set the contribution rates of participating employers back to the Board of Directors of the Authority ("*Authority Board*"); employee contributions are capped at 9.00% of earnable compensation for the SCRS and 9.75% of earnable compensation for the PORS. The Authority Board is authorized pursuant to the Plan Legislation to set employer contributions based on the actuarial value of the plans; however, the Plan Legislation prohibits the Authority Board from increasing a participating employer's rate of contribution by more than 0.5% in any fiscal year. The Authority Board may decrease contribution rates of both employers and employees under the Plan Legislation if an actuarial valuation of the SCRS and PORS shows a funded ratio of at least 85% and any decrease would not decrease the funded ratio below 85%. Any decrease by the Authority Board to employer and employee contributions must be made in equal amounts.

The Plan Legislation also shortens the amortization schedule for the unfunded actuarial accrued liabilities of the SCRS and PORS and shifts the burden of funding the unfunded actuarial accrued liability of the SCRS and PORS to participating employers. The unfunded actuarial accrued liability of the SCRS and PORS, as

determined by an annual actuarial valuation, must be amortized over a funding period that does not exceed the following schedule:

Fiscal Year	Funding Period
2019-2020	28 years
2020-2021	27 years
2021-2022	26 years
2022-2023	25 years
2023-2024	24 years
2024-2025	23 years
2025-2026	22 years
2026-2027	21 years
2027-2028	20 years
and after	

The Plan Legislation permits employer contribution rates to be increased above those as set forth in the table above or as set by the Authority Board after the fiscal year ending June 30, 2027, if the contribution rates are insufficient to meet the funding periods as set forth above. Increases to employer contribution rates to meet the funding period set forth above may be made without limitation.

Reporting Plan Liability: In accordance with Statement No. 68 of the Governmental Accounting Standards Board ("GASB"), the City reported its proportionate share of the overall Net Pension Liability of the Systems – which represents the difference between the total cost of the Systems' expected future benefits to be paid and the value of assets on hand to cover the benefits – in its financial statements. For Fiscal Year 2019, the City reported its proportionate share of SCRS and PORS Net Pension Liability as 129,535,221 and 85,481,582, respectively or 0.578106% and 3.016774% of the total net pension liability.

Other Post-Employment Benefits

The City provides other post-employment benefits ("**OPEB**") through its single-employer defined dollar benefit plan, The City of Columbia Post-retirement Healthcare Benefit Program. The City administers the plan and provides healthcare benefits for eligible retirees and their spouses. By ordinance, City Council is vested with the authority to establish and amend benefit terms and financing requirements.

In accordance with GASB Statement No. 75, the City's OPEB liability is now calculated based on the City's total unfunded OPEB liability. As of June 30, 2019, the most recent measurement date, the estimated total unfunded OPEB liability of the City was \$180,406,818. The City anticipates the unfunded OPEB liability to increase, but is unable to provide an estimated increase.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, the City, like other local governments, is liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate for torts. There are no limits in actual damages for recoveries under 42 U.S.C. § 1983. No punitive or exemplary damages are permitted under the South Carolina Tort Claims Act or the Federal Civil Rights Act. The City currently self-insures against tort liability under the South Carolina Tort Claims Act.

COVID-19

The United States, including the State of South Carolina, is currently in the midst of a global pandemic caused by a novel coronavirus and resulting disease known as COVID-19 ("*COVID-19*"). The pandemic led to a declaration of emergency by the Governor of South Carolina on [] 13, 2020, followed by the issuance of more stringent orders by the Governor through the rest of March and most of April 2020 including, but not limited to, a

stay-at-home order and the closure of (1) public schools and colleges through the remainder of the school year, (2) dining establishments (except for take-out services), (3) non-essential businesses and (4) public access to recreational sites. Beginning in late April 2020, the Governor issued a series of orders gradually easing most of those restrictions, including lifting the stay-at-home order, and allowing for most retail, dining, and non-essential businesses, including those requiring close contact such as salons and gyms, to reopen with some limitations. However, as of the date of delivery of this Official Statement, the State remains under a state of emergency, as most recently extended by declaration of the Governor on September 24, 2020, to facilitate continued response, testing and other measures to address the COVID-19 pandemic.

The COVID-19 pandemic has altered and is continuing to alter the behavior of businesses, government and people in a manner that is having detrimental effects on global and local economies, including the City's economy. In addition, global financial markets have experienced significant volatility attributed to concerns over COVID-19. The impact of the pandemic on the City and the local, regional, national and international economies cannot be predicted due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities, businesses and institutions to attempt to contain or mitigate its impact.

As a result of the COVID-19 pandemic, the City has incurred costs [Discussion of COVID related costs].

CERTAIN FISCAL MATTERS

Property Taxation and Assessment

Article X of the State Constitution mandates that the assessment of all property, both real and personal, shall be equal and uniform and that the following ratios shall apply in the appropriate classifications of property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business – 10.5% of fair market value; Certain real property owned by or leased to manufacturers for use in "research and development," office buildings and warehousing and wholesale distribution of wearing apparel is excluded from this classification, and would be subject to the six percent assessment ratio for other real property. Certain new industrial facilities may be entitled to pay a "fee-in-lieu-of-taxes" computed on an assessment ratio of not less than 6% (4% for certain projects involving extraordinary capital investment or job creation) of original cost less depreciation. For property tax years beginning after 2017, 14.2857% of the property tax value of manufacturing property assessed for property tax purposes will be exempt from property taxation; provided, however, the total amount of the exemption for all entities in the State for that fiscal year will not exceed \$85 million. For any year in which the amount is projected to exceed \$85 million, the exemption amount will be proportionally reduced. The full amount of the exemption will be phased in over six years;
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business -9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property -6% of fair market value;
- (7) Business inventories 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the Debt Limit); and

(8) (A) Except as set forth in (B) and (C) below, all other personal property – 10.5% of fair market value;

(B) Personal Motor Vehicles which must be titled by a state or federal agency, limited to passenger motor vehicles and pickup trucks, as defined by law - 6% of fair market value; and

(C) Aircraft – 4% of fair market value (if approved by ordinance of the City).

In South Carolina, local taxes for counties, schools and special purpose districts are levied as a single tax bill which each taxpayer must pay in full. Taxes are levied by the auditors of the various counties. In the City, current tax collections are made through the office of the County Treasurer. Delinquent tax collections are handled by the Tax Collector's Office which reports to the County Administrator. Tax bills are mailed from the County Treasurer's office on or about October 1 or as soon thereafter as is practicable each year. Real and personal property taxes (except taxes on motor vehicles) are payable on or before January 15 without penalty. A penalty of 3% is added on January 16th, an additional penalty of 7% is added on February 2nd and an additional penalty of 5% is added on [] 17th, at which time the office of the County Treasurer issues orders of execution on all unpaid accounts. The Sheriff of the County is authorized to seize by appropriate means the personal property taxes. Delinquent taxes on real property may be collected through sale of the property by the County.

The DOR has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County.

Assessment. The County Assessor appraises and assesses all the real property and mobile homes located within the County and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property, and directly assesses the real and personal property of public utilities and manufacturers and also of business equipment.

Each year the DOR certifies its assessments to the County Auditor, who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection. The State has no statewide property tax.

Reassessment. Under law enacted by the General Assembly in 1995, every fifth year the City and the State are required by law to effect an appraisal of all property within the City and to implement that appraisal as a new assessment in the following year. The County implemented a County-wide reassessment plan for the 2018 tax year (which corresponds to the City's 2018-19 Fiscal Year).

Regulations also require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value.

Limitations on Reassessment. Act No. 388 of the 2006 Acts of the General Assembly, as amended ("Act 388"), limits the increase in valuation of real property attributable to reassessment to 15% within each five year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from the 15% reassessment restriction described above and, generally, at the sale (or other "assessable transfer of interest" which includes long-term leases, conveyances out of trusts, and other defined events, but excludes transfers between spouses) of any real property, that real property will be reassessed at its market value. However, for certain property subject to property tax at an assessment ratio of 6%, Act No. 57 of the 2011 Acts of the General Assembly, as amended, limits, in certain circumstances, this market value reassessment following an "assessable transfer of interest." This property, following an "assessable transfer of interest," is instead reassessed for property tax purposes using an "exemption value." The "exemption value" is calculated by reducing the real

property's market value at the time of the "assessable transfer of interest" by up to 25%. If the 25% reduction in market value results in an "exemption value" which is less than the property's assessed value as reflected on the books of the property tax assessor at the time of the "assessable transfer of interest," then the "exemption value" of the property will be the value reflected on the books of the property.

Millage in Years of Reassessment. In the year reassessment is implemented, political subdivisions of the State are limited in the level of millage they may impose. This limited millage levy is referred to as the "rollback" millage. The intended effect of rollback millage is to limit the millage rate to that millage rate which, following a reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of reassessment. The rollback millage limitation is inapplicable to millage necessary to pay general obligation debt. Act 388 prohibits political subdivisions from overriding the rollback millage limitation except to meet certain specified conditions. Political subdivisions are also limited to the amount by which millage may be increased in a year in which reassessment is not being imposed. See "CERTAIN FISCAL MATTERS – Changes in Millage Levy Authority Effective July 1, 2007" below.

Homestead Exemptions—Property Tax Relief

South Carolina provides a general exemption from all *ad valorem* property taxes that applies to the first \$50,000 of the fair market value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind ("*Homestead Exemption*"). The second exemption ("*Property Tax Relief Exemption*") applies only to *ad valorem* taxes levied for school operating budgets (exclusive of amounts in those budgets for the payment of lease purchase agreements for capital construction) ("*School Taxes*") and has no impact on the County. The Property Tax Relief Exemption applies to property classified as the legal residence and up to five acres of contiguous land when owned by the residence's occupant.

Manufacturer's Exemption

Act No. 40, enacted by the South Carolina General Assembly in 2017 ("*Act 40*"), provides an exemption for a portion of the property tax value of manufacturing property. The total exemption is equal to 14.2857% and will be phased in over a period of 6 years in equal installments of 2.38095%. The first phase of the exemption applies in property tax year 2018 (Fiscal Year 2018-19) and the exemption will be fully applicable in property tax year 2022 (Fiscal Year 2022-2023). The exemption, once fully implemented, reduces the effective assessment ratio on manufacturing property from 10.5% to 9%.

In order to offset the loss of local property tax revenues, Act 40 provides for a reimbursement not to exceed \$85 million per year to political subdivisions, including school districts. The reimbursement is made in the same manner as other property tax exemptions are reimbursed to political subdivisions from the Trust Fund for Tax Relief. In any year the reimbursement will exceed the \$85 million per year cap, the exemption provided to manufacturing property by Act 40 is required to be proportionally reduced so the reimbursement amount does not exceed \$85 million.

Payments in Lieu of Taxes and Other Property Tax Incentives

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain "brownfield" sites) or more may be negotiated for payments in lieu of taxes for a periods up to 30 years (up to 40 years for certain large investments) using assessment ratios of as little as 6% and using millage rates that are either fixed for the term of the incentive or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for enhanced investments, that is, those projects creating at least 125 new jobs and providing new invested capital of not less than \$150 million, projects with a total investment of \$400 million by a single sponsor and certain defined economic development projects. For these enhanced investments the fee-in-lieu of tax payments may be negotiated based on assessment ratios as low as 4% and for a term up to 50 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty or business industrial park ("*MCIP*") are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the City. Property may be included in an MCIP under terms of agreements between two or more contiguous counties with individual sites being determined primarily by the City in which the site is located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also utilize the payments in lieu of taxes derived from an MCIP for its own corporate purposes or those of other taxing entities in that county by altering the distribution percentages for the payments by ordinance.

Several of the largest taxpayers in the City pay a "fee-in-lieu of taxes" with respect to new manufacturing projects, and each year new fee-in-lieu of tax arrangements are made with other new manufacturing investments.

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Finance Act. If the property is situated in an MCIP, the calculation of assessed value for Debt Limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its Debt Limit.

If a county, municipality or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its Debt Limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a Debt Limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the Debt Limit of the political subdivision.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project as a means for the owner to pay for costs incurred from economic development activities. If a county, municipality or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the same limitations on calculation of its Debt Limit as described in the preceding paragraph.

Property Tax/Assessment Legislation

Act 388 limits future increases in the rate of millage levied for operational purposes by all political subdivisions. The annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision. An amendment to Act 388 (R 91) enacted in 2011 provides that there may be added to the operating millage increase any such increase, allowed but not previously imposed, for the three property tax years preceding the year to which the current limit applies. This limitation does not apply to millage that is levied to pay bonded indebtedness. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe

weather event, act of God, or act of terrorism, fire, war, or riot;

- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year;
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government;
- (6) purchase by the local governing body of undeveloped real property or of the residential development rights in undeveloped real property near an operating United States military base which property has been identified as suitable for residential development but which residential development would constitute undesirable residential encroachment upon the United States military base as determined by the governing body; or
- (7) to purchase capital equipment and make expenditures related to the installation, operation, and purchase of the capital equipment including, but not limited to, taxes, duty, transportation, delivery and transit insurance, in a county having a population of less than one hundred thousand persons and having at least forty thousand acres of state forest land.

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Five Year Revenue-Expenditure Summary

The following table sets forth a summary of the City's General Fund operations for the fiscal years ended June 30, 2015 through June 30, 2019. The summary should be reviewed together with the City's audited financial statements for the years ended June 30, 2015, through June 30, 2019, including, but not limited to, the reports of the City's independent auditor and the notes to such financial statements.

_	<u>2015</u>	<u>2016</u>	2017	<u>2018</u>	<u>2019</u>
<u>Revenues</u> :		* * * * * * *	†2 0,000,00 2		
General property taxes	\$50,563,321	\$51,024,375	\$30,808,092	\$34,411,685	\$35,689,037
Local option sales tax	-	_	20,946,748	20,811,587	20,775,337
Sales, hospitality and admission	90,899	225,932	433,481	634,090	869,619
taxes					
Licenses and permits	37,837,446	38,659,049	26,580,332	27,889,578	28,404,652
Franchise fees	-	_	13,133,923	12,904,332	11,974,635
Intergovernmental revenue	15,682,389	15,970,472	14,822,853	16,152,914	16,558,061
Charges for services	12,553,980	12,492,939	13,025,426	13,114,382	13306,139
Fines and forfeitures	1,033,384	822,196	887,354	717,178	677,587
Federal government	-	200,846	120,013	584,188	21,767
State government	_	—	_	—	1,010,667
Promotions	78,322	96,677	521,108	_	_
Private grants	_	_	89,496	147	969
Interest	147,133	205,922	(38203)	60,674	303,676
Rental income	_	_	103,343	133,873	99,943
Other revenues	<u>200,567</u>	<u>379,902</u>	<u>81,123</u>	13,629	<u>9,576</u>
Total Revenues	<u>118,187,441</u>	<u>120,078,310</u>	<u>121,515,089</u>	<u>127,428,197</u>	<u>129,701,665</u>
Expenditures:					
General Government	6,865,829	7,825,943	11,043,684	12,372,218	12,917,481
Judicial	2,539,958	2601,829	3,334,061	3,358,803	3,025,420
Finance department	1,779,283	1,756,891	1,787,470	1,807,673	1,782,499
Planning and development	3,228,917	3,071,520	4,106,820	4,090,523	4,276,616
Public safety	56,018,445	61,023,705	60,968,586	65,924,634	66,111,113
Parks and recreation	10525,782	11,367,618	11,620,323	12,138,971	12,674,154
Public Services	16,257,427	19,370,368	14,638,292	15,062,365	15,134,908
General services	4,680,453	5,189,301	2,416,883	2,424,484	2,524,071
Tourism and community	_	821,561	5110,680	4,013,376	4,066,379
development					
Non departmental	2,279,518	3,785,304	_	_	_
Community promotions	613,031	_	748,739	245,080	247,048
Debt service					
Principal payment on bonds	936,791	1,704,259	16,092,898	2,165,130	3,311,888
Interest on bonds	910,452	902,795	748,800	188,874	307,002
Debt issuance costs	_	_	61,000	_	_
Capital Outlay	8,512,817	2,124,047	8,002,763	<u>3,907,325</u>	444,253
Total Expenditures	<u>115,148,703</u>	<u>121,545,141</u>	<u>140,680,999</u>	<u>127,699,456</u>	<u>129,822,832</u>
Spacial Itama					
Special Items: Collections on capital leases			13,280,875		
Rental Income	_	—		—	—
Total Special Items	—	—	<u>2,592,856</u> <u>15,873,731</u>	—	—
rotar special tiellis	—	—	13,0/3,/31	—	—
Excess (deficiency) of revenue					
over expenditures	3,038,738	(1,466,831)	(284,070)	(271,259)	(121,167)

Other Financing Sources (Uses) Net change in fund balances	<u>4,360,675</u> <u>7,399,413</u>	<u>(5,022,051)</u> (6,488,882)	<u>3,008,109</u> <u>2,724,039</u>	<u>4,369,014</u> <u>5,010,657</u>	<u>8,516,520</u> <u>8,395,353</u>
Fund Balance, July 1, as reported	\$28,994,327	\$36,393,740	\$29,904,862	\$29,620,792	\$33,718,547
Fund Balance, as restated					\$33,100,656 [†]
Fund Balance, June 30	<u>\$36,393,740</u>	<u>\$29,904,858</u>	<u>\$29,620,792</u>	<u>\$33,718,547</u>	<u>\$41,496,009</u>

[†] Correction of an error (Note VII D) (\$617,891). **D. Restatements**

During the year ended June 30, 2019, management of the City discovered that prior year FEMA grant revenues were overstated. The City corrected this by decreasing beginning fund balance for the general fund by \$276,781 and beginning net position for the Water/Sewer Facilities Fund by \$4,265,179. In addition, the OPEB liability and related expense were not properly allocated. The City corrected this by increasing beginning net position for the internal service funds by \$41,534,787 and decreasing beginning net position for the Water/Sewer Facilities Fund, Parking Facilities Fund, and nonmajor enterprise funds by \$35,799,031, \$2,323,970, and \$3,411,786, respectively. In addition, the Capital City Fund, which was previously reported within the General Fund, should have been reported as a special revenue fund. The City corrected this by decreasing beginning fund balance for the general fund and increasing beginning net position/fund balance for each fund is below:

	overnmental Activities	Business- type Activities	General Fund	Go	Other vernmental Funds	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Internal Service Funds
Beginning balance, as previously reported	\$ 504,478	\$ 622,100,542	\$ 33,718,547	\$	31,032,866	\$ 545,626,36	\$ 26,329,947	\$ 76,204,200	\$ (117,943,268)
FEMA revenue adjustment	(276,781)	(4,265,179)	(276,781)			(4,265,179	9) -	-	
OPEB expense adjustment	41,534,787	(41,534,787)			-	(35,799,03	1) (2,323,970)	(3,411,786)	41,534,787
Capital Project Fund transfer			(341,110)		341,110				
Beginning balance, as restated	\$ 41,762,484	\$ 576,300,576	\$ 33,100,656	\$	31,373,976	\$ 505,562,15	\$ 24,005,977	\$ 72,792,414	\$ (76,408,481)

Budget and Tax Collection Procedure

The City uses a modified program budget based on the various functions and activities in the City. The budget process begins with the development of an Annual Activity Work Plan by each department and division. These plans are due by the end of November. The City Manager reviews these plans in December and gives departments and divisions input on what the City Manager wants to emphasize in the upcoming budget. Budgets are then developed in the departments and divisions and submitted to the City Manager by the beginning of February. The City Manager reviews and revises these budgets in March, and the City Manager's recommended budget is submitted in April to City Council for final approval prior to the beginning of each fiscal year on July 1. The operating budget includes proposed expenditures and means of financing them. Public hearings are conducted at City Hall to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. The City Manager is authorized to administer the budget and may authorize the transfer of appropriated funds within and between departments and funds as necessary to achieve the goals of the budget.

The budget is monitored on a monthly basis and revisions are made as necessary to account for changes in anticipated revenues and expenditures.

In the County, taxes are collected for county, municipal and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal property taxes in the County (except for taxes on motor vehicles which are due on the last day of the month the motor vehicle license expires) are payable on or before January 15 of each year. If taxes are not paid by January 15, a penalty of three percent is added. If tax are not paid on or before February 1, an additional penalty of seven percent is added thereon. If taxes are not paid on or [] 15, an additional penalty of five percent is added thereon and the property goes into execution. The County Treasurer is responsible for the collection of delinquent taxes

and is empowered to sell so much of the defaulting taxpayer's estate, real, personal or both, as may be sufficient to satisfy the taxes.

Because of the Rain Event, the DOR has granted the County a 30-day extension for each of the deadlines contained in the prior paragraph. The City does not anticipate this extension will have an impact on the City's operation

General Fund Budget

The following is a summary of the General Fund Budget of the County for the 2020-21 Fiscal Year as compared to the General Fund Budget for the 2019-2020 Fiscal Year. The budget for the 2020-2021 Fiscal Year was adopted by the Council on [], 2020.

	Budget FY 2020-2021	Budget FY 2019-2020
Revenues		
General Property Taxes		\$ 59,015,129
Licenses and Permits		42,163,401
From Other Agencies		16,476,135
Current Service Charges		15,485,490
Fines & Forfeitures		1,062,800
Miscellaneous Revenue		225,300
Interest on Investment		197,500
Rents & Sale of Property		397,000
Unappropriated Surplus		3,000,000
Total General Fund Sources		138,022,755

	Budget FY 2020-2021	Budget FY 2019-2020
Expenditures		
General Government		\$ 8,544,183
Judicial		2,666,890
Finance Department		2,208,747
Planning & Development		5,241,528
Information Technology		4,356,780
Public Safety		72,368,368
Parks & Recreation		13,984,110
Public Services		20,615,491
General Services		2,201,455
Non-departmental		8,054,614
Total General Fund Sources		140,242,166
Excess (Deficiency) of Revenues		(2,219,411)
Over (Under) Expenditures		(2,21),711)
Other financing sources (uses)		
Operating Transfers In		18,314,680
Operating Transfers Out		(16,095,269)
Sale of Capital Assets		
Total Other Financing Sources		2,219,411

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other

Assessed Value of Taxable Property in the City

The assessed and estimated true value of all taxable property in the City for the fiscal years indicated are set forth below:

\$0

	REAL		PERSONAL	AND OTHER	TOTAL	
Fiscal Year	Assessed	Actual	Assessed	<u>Actual</u>	Assessed	Actual
				\$1,709,777,05		
2014-15	\$394,221,790	\$7,949,097,129	\$117,043,195	5	\$511,264,985	\$9,658,874,184
2015-16	406,028,080	8,164,834,273	123,473,420	1480,591,620	529,501,500	9,645,425,893
2016-17	414,181,670	8,319,747,629	122,245,699	1,472,158,558	536,427,369	9,791,906,187
2017-18	436,835,680	8,704,879,877	128,818,907	1,625,411,781	565,654,587	10,330,291,658
2018-19	451,617,910	9,033,830,822	127,188,740	1,501,121,493	578,806,650	10,534,952,315

Note: Figures do not include merchant's inventory in the amount of \$6,667,290. Source: 2019 CAFR

Estimated True Value of All Taxable Property in the City

The assessed value and estimated true value of all taxable property in the City for fiscal year 2018-19 by classification of property is set forth below.

Classification of Property	Assessed Value	Estimated True Value
Real Property (Non-manufacturing) and Mobile Homes		
Motor Vehicles		
Public Utilities		
Manufacturing Property (Real and Personal)		
Marine Equipment/Boats		
Business Personal Property		
Railroads		
Fee in Lieu Property		
TOTAL		

Source: County Auditor

Tax Collections for the City

The following table shows the amount of County (inclusive of other taxing entities, except municipalities) taxes levied by the City Auditor, the amount of such taxes collected as of June 30 of the year following the year in which the levy was made, the percentage of taxes collected and the amount of delinquent taxes collected in the City for the last five fiscal years for which information is available.

			Collections as		
Fiscal	Taxes	Current	Percentage of	Delinquent	Total Percentage
Year	Levied	Collections	Taxes Levied	Taxes Collected	Collected
2014-15	\$50,167,100	\$49,493,219	98.66	\$1,094,527	100.84
2015-16	50,915,070	48,401,467	95.06	810,926	96.66
2016-17	51,618,738	51,377,395	99.53	730,382	100.95
2017-18	55,511,331	56,037,355	100.95	725,300	102.25
2018-19	56,807,204	57,811,187	101.77	-	101.77

Source: 2019 CAFR

Tax Rates

The City Auditor sets the millage levels for all taxing entities at a City Council meeting in October. The millage assessed for County operations and debt service in each of the last five fiscal years for which information is available is set forth below:

	2015-16	2016-17	<u>2017-18</u>	<u>2018-19</u>	2019-20
Operations					93.8
Debt Service					<u>4.3</u>
Total	96.1	96.1	98.1	98.1	98.1

Source: County Auditor

Ten Largest Taxpayers

The ten largest taxpayers in the City, the assessed value of the taxable property of each, and the total amount of County taxes for fiscal year ended June 30, 2019, are shown below.

	Assessed	Taxes
<u>Taxpayer</u>	Value	Paid
Dominion Energy South Carolina		
f/k/a SC Electric & Gas [†]	\$19,116,950	\$1,875,373
Bellsouth Telecommunications	3,530,330	346,325
GGP Columbiana Trust	3,397,570	333,302
HPT Sunbelt Portfolio LLC	3,272,110	320,994
Providence Hospital LLC	3,257,790	319,589
EOSII at 1221 Main Street LLC	2,925,000	286,943
SC Telecomm Group Holdings LLC	2,683,610	263,262
CORE Campus Coumbia LLC	2,603,430	255,396
1000 Whaley Street LP	2,557,550	250,896
Sprintcom Inc.	2,369,600	232,458

[†] On January 3, 2020, Dominion Energy Inc. ("*Dominion*") and SCANA Corporation ("*SCANA*"), the parent of South Carolina Electric & Gas ("*SCE&G*"), announced that Dominion acquired SCANA in a stock-for-stock merger. SCANA is expected to continue operations as a wholly owned subsidiary of Dominion and would maintain the headquarters of SCE&G in South Carolina.

Exempt Manufacturing Property in the City

The following table shows the value of new manufacturing property and utility property in the City exempt from County taxes pursuant to Article X, Section 3 of the State Constitution for the fiscal years indicated:

Fiscal	Exempt
Year	Property Value
2014-15	
2015-16	
2016-17	
2017-18	
2018-19	

Source: []

DEBT STRUCTURE

Legal Debt Limit of the City

Article X, Section 14 of the State Constitution provides that counties shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. General obligation debt may be incurred only for a public and corporate purpose in an amount not exceeding 8% of the assessed value of all taxable property of such county without the necessity of holding a referendum ("*Debt Limit*"). General obligation debt authorized by a majority vote of the qualified electors of the City voting in a referendum may be incurred without limitation as to amount. Title 4, Chapter 15 of the South Carolina Code provides that the governing bodies of the counties of the State may issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its Debt Limit.

Under Article X, Section 14 of the State Constitution, bonded indebtedness of the City existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of the qualified electors of the City voting in a referendum is not considered in determining the Debt Limit.

The City's Debt Limit is computed below:

Assessed Value as of June 30, 2020		\$[]
	Х	8%
Debt Limit		[]
Less Outstanding Debt Subject to Debt Limit		
as of October 1, 2020		[]
Available Debt Limit Without a Referendum	1	\$[]

Outstanding General Obligation Indebtedness

The following table sets forth the aggregate amount of general obligation indebtedness of the City at the end of each of the past five fiscal years:

General Obligation
Indebtedness
\$30,665,000
36,025,000
33,710,000
25,345,000
21,315,000

Description of General Obligation Indebtedness by Issue

Set forth below are the outstanding issues of general obligation indebtedness of the City as of October 1, 2020:

	Final	Interest	Original	Outstanding
Series Project	Maturity	<u>Rates (%)</u>	Amount	Balance
2011A Capital Assets Acquisition	6/1/2021	2.00-3.00	\$ 9,375,000	\$ 445,000
2011B Refunding of Series 2002 Bonds	6/1/2022	2.00-3.00	9,945,000	3,355,000
2011C Acquisition of Capital Assets	6/1/2021	2.00-4.00	5,575,000	235,000
2012 Acquisition of Capital Assets	6/1/2022	2.00-3.00	6,375,000	615,000
2013 Acquisition of Capital Assets	6/1/2023	2.00-3.50	7,315,000	1100,000
2016A Refunding of Series 2007A Bonds	6/1/2027	2.00-4.00	6,260,000	5130,000
2016B Acquisition of Capital Assets	6/1/2046	3.00-5.00	10,645,000	10435,000
TOTAL			\$55,490,000	\$21,315,000

Revenue Bond Obligations

The City has the following revenue bonds outstanding as of October 1, 2020. This revenue debt is not included in or counted toward the City's Debt Limit.

C	During	Final	Interest	Original	Outstanding
<u>Series</u>	<u>Project</u>	<u>Maturity</u>	<u>Rates (%)</u>	Amount	Balance
2012	Hospitality – Capital Projects	2/1/2025	2.50	\$14,825,000	7,420,000
2014	Hospitality – Capital Projects	2/1/2044	2.42-3.15	26,175,000	26,175,000
2018	Hospitality – Capital Projects	2/1/2029	4.29	1,460,000	1,305,000
2018	Parking – Refunding Series 2005A and 2014 Bonds	2/1/2037	2.96-4.34	39,255,000	37,290,000
2009	Water & Sewer – Improvements	2/1/2038	3.6-5.0	81,860,000	81,860,000
2010	Water & Sewer – Improvements	2/1/2034	3.0-5.0	105,000,000	8,770,000
2011A	Water & Sewer – Improvements	2/1/2036	2.0-5.0	100,000,000	29,835,000
2012	Water & Sewer – Refunding Portion of Series 2005 Bonds	2/1/2030	3.5-5.0	58,055,000	58,055,000
2013	Water & Sewer – Improvements	2/1/2043	1.0-5.0	75,305,000	66,615,000
2016A	Water & Sewer – Refunding Portion of Series 2010 Bonds	2/1/2046	2.0-5.0	63,325,000	59,740,000
2016B	Water & Sewer – Refunding Portion of Series 2011A Bonds	2/1/2041	2.0-5.0	146,710,000	144,675,000
2018	Water & Sewer – Improvements	2/1/2048	2.5-5.0	87,340,000	86,425,000

Overlapping Debt

The following table sets forth the assessed value of all taxable property for fiscal year 2018-19 in each political subdivision having outstanding general obligation debt which overlaps the City, the total amount of general obligation indebtedness outstanding as of June 30, 2019, the percentage of value with the City, and the amount of general obligation debt attributable to the City.

Political Subdivisions	Fiscal Year 2018-19 <u>Assessed Value</u>	Outstanding General <u>Obligation Debt</u>	% of Value Within <u>City</u>	G.O. Debt Attributable <u>to City</u> [†]
Incorporated Municipalities City of Columbia	\$ 578,806,650	\$88,057,538	100.00	\$88,057,538
<u>Counties</u> Richland County Lexington County	1,647,496,230 1,234,619,010	87,160,000 30,793,373	33.66 1.96	29,338,343 604,934
<u>School Districts</u> Lexington Richland School District No. 5 Richland County School District No. 1 Richland County School District No. 2	314,623,790 870,701,020 569,933,360	192,456,000 395,660,000 349,555,000	7.71 55.65 8.49	14,836,220 220,171,568 29,692,790
Special Purpose Districts Airport District Richland-Lexington Riverbanks Park District	1,647,496,230 2,882,115,240	6,525,000 30,475,000	33.66 20.08	2,196,336 6,120,204

[†] This amount is computed by multiplying the political subdivision's outstanding general obligation debt by the ratio of the portion of political subdivision's assessed value within the City to the political subdivision's total assessed value.

Source: 2019 CAFR

Miscellaneous Debt Information

The City has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the City within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The City has not used the proceeds of any bonds or other securities for current operating expenses at any time within the last 10 years.

ECONOMIC CHARACTERISTICS

Commerce and Industry

Highlights of the City's recent recruitment activity include the following new and expanding companies:

In January 2019, Miwon Specialty Chemical Co. USA announced its plans to locate a new 65,000 square-foot production facility in the City. Miwon is a specialty chemical manufacturer of raw materials. The company's \$195 million investment is projected to create 25 new jobs. The facility is expected to come online in the third quarter of 2020, with hiring projected to begin in the first quarter of 2020.

In December 2018, Owens Corning, a developer and producer of insulation, acquired an existing manufacturing facility in the City, where it will manufacture coated, non-woven projects for a variety of

applications within the North American building materials industry. The company's \$13.6 million capital investment is projected to bring 16 new jobs.

In November 2018, McEntire Produce, Inc. ("*McEntire*"), a fresh produce processor, repacker and wholesaler, announced it will expand its current operations in the City. Approximately 80% of the company's business comes from food service companies operating in the State, North Carolina, Virginia, Tennessee, Georgia and Florida. McEntire has operated in the City since 1938 and plans to investment \$8 million and to create 21 new jobs

In November 2018, JTEKT Corporation announced the expansion of its Koyo brand bearing manufacturing facility in the City. The company's \$50 million investment is projected to create 113 new jobs in the community over a five-year period. To date, the company has invested a total of \$160 million since 2008, and expects to invest an additional \$5 million before the end of this year, or \$165 million total. The company has created 288 new, full-time jobs in the City since December 2012 under the most recent expansion.

In November 2018, Spirax Sarco, a manufacturer of steam components headquartered in the City, announced its plan to expand operations with an investment of \$6.8 million and the creation of 22 new full-time positions over a five year period. The Company plans to relocate all manufacturing operations to the Northpoint facility and move all finished goods inventory to the Carolina Pines location. The Company also plans to expand and upgrade their high-density silo storage system.

In September 2018, DPX Technologies, a manufacturer of lab testing equipment headquartered in the Carolina Research Park, announced an expansion involving an investment of \$3.1 million and the addition of 14 new jobs.

In September 2018, Experience Columbia held its ribbon cutting ceremony for the brand new state-ofthe-art Columbia SC Visitors Center. The 500 square-foot facility will be a resource for visitors and City residents to find gift items, purchase tickets for area attractions and even embark on a walking tour.

In August 2018, Capgemini, a global consulting and technology firm, announced its plans to expand its operations in the City with the opening of an advanced technology and development center. The new center is projected to create at least 200 jobs, with the potential for additional positions in the future.

Colite International, a world leader in full-service sign manufacturing, announced in March 2018 a \$2.5 million investment into its current operations in the City. The investment will allow the purchase of state-of-theart equipment to keep the company competitive in national and international markets.

In January 2018, Carolina's Rigging & Crane and Charleston's Rigging & Marine Hardware, manufacturers and suppliers of wire rope, rigging and safety solutions for a wide variety of industries, announced plans to expand operations in Charleston and Richland Counties. In the City, the company will move into an existing manufacturing complex adjacent to the Pineview Industrial Park. This facility, complete with multiple overhead bridge cranes, large fabrication area and a crane and rigging safety training center, will help support Carolina's Rigging & Crane customers in the Midlands and throughout the Southeast. To accommodate its growth in the City, Carolina's Rigging & Crane will be adding 17 jobs in the City. The joint investment of \$3.4 million is expected to create 35 new jobs.

In November 2017, The Ritedose Corporation, a pharmaceutical products manufacturer, announced plans to invest \$10 million constructing a new 140,000 square foot facility within the Enterprise Industrial Campus of Midlands Technical College. The latest expansion is in addition to plans announced in 2014 to add 80,000 square feet to their existing 120,000 square foot facility, investing \$110 million and creating 65 new jobs. The Ritedose Corporation specializes in the production of inhalation products, eye drops, ear drops and oral liquids.

In November 2017, Woodfield Systems USA, a designer and manufacturer of bulk liquid and gas handling equipment, announced plans to establish a new manufacturing center in Richland County. In connection with these plans, the company intends to invest \$1.5 million and create 50 new jobs. The company's Richland County operations will produce loading arms, metering and process skids to support the loading and unloading of bulk tanker trucks and rail cars in the refined fuel, industrial and chemical and industrial HVAC markets.

In September 2017, Charter Nex, one of North America's leading independent producers of highperformance specialty films used in flexible packaging and other critical performance applications, announced plans to invest \$85 million and create 110 new jobs in connection with its proposed 140,000-square-foot facility to be constructed in the Carolina Pines Industrial Park in the City.

In August 2017, Trane, a leading global provider of indoor comfort systems and services, announced plans to expand its existing operations in the City with a capital investment of \$96 million and the creation of 700 new jobs. Trane currently has approximately 600 employees in the State. The company's existing facility will increase in size by 680,000 square feet once the expansion is completed.

In May 2017, China Hengshi Foundation Company, a fiberglass fabric provider, announced plans to occupy a 111,000-square-foot facility located in the City. The company's new operations are expected to bring \$11.1 million in capital investment and lead to the creation of 48 new jobs. Founded in 2000, China Hengshi specializes in the research, development, production and marketing of a variety of fiber-weaving products for export around the world. Primarily used in wind turbine blades, the company's products are also used, for example, in space flight, aviation, construction, transportation, and environmental protection.

In April 2017, LuLaRoe, a national provider of women's and men's clothing, is locating a new distribution center in the City. This project is expected to bring approximately \$35 million of new capital investment and create 1,000 new jobs over the next few years. Founded in 2013 in California, LuLaRoe clothing is sold by more than 80,000 Independent Fashion Retailers through the U.S.

In March 2017, Alimex, a producer of precision aluminum plates, announced the establishment of a new \$2 million manufacturing facility in the City. The investment is expected to create 27 new jobs over five years. Founded in Germany, Alimex supplies the worldwide metal distribution, machining and processing industry with high-precision aluminum cast plates.

In January 2017, TCube Solutions, a software services provider and innovation firm, announced plans to expand its existing operations in the City which will create 100 new jobs. To accommodate its continued growth, the company is investing \$1.7 million in a new 25,000 square-foot facility in the First Base Building at Spirit Communications Park, and adding additional equipment. Founded in 2007 with the assistance of the USC-Columbia Technology Incubator program, TCube provides software systems implementation, configuration, maintenance and integration services to insurance industry clients worldwide.

In June 2016, China Jushi, a global manufacturer of fiberglass products, announced the location of their first U.S. manufacturing operating in the City, with an expectation to produce 80,000 tons of fiberglass annually. The first phase of the project is expected to bring \$300 million in capital investment and create 400 new jobs. Once completed, the project is expected to become the largest consumer of water and sewer service from the City. China Jushi broke ground on December 8, 2016. The first phase of the project was completed in 2019.

In June 2016, Pure Power Technologies, a leading manufacturer in the engineering and manufacturing of new and remanufactured diesel fuel injectors for OEMs and aftermarkets, announced invested \$15 million to expand their existing operation in the City and create approximately 79 new jobs.

In April 2016, IBM, USC and Fluor Corporation held the ribbon cutting for the Center for Applied Innovation. The Center will provide application services to both public and private sector organizations across North America with specialties in the areas of analytics and higher education industry solutions. As part of the initiative, the organizations will collaborate on tailored IT curriculums and advanced analytic techniques for personalized learning. The Center is expected to create 100 new jobs over five years.

In January 2016, Dominion Carolina Gas Transmission announced its plans to establish operations in the City. Dominion's new facility will incorporate 120,000 square feet of office space on a nine acre campus. This move comes on the heels of their acquisition of Carolina Gas Transmission from SCANA Corporation. Dominion is expected to invest \$10 million in its new facility as well as bring around 100 high wage paying jobs to the City.

University of South Carolina

The University of South Carolina ("*USC*") is the State's flagship research university. USC's main campus is located centrally in the County and serves as an economic driver for the surrounding area through direct investments by USC and the USC Development Foundation. USC received more than \$278.6 million in sponsored research grants in Fiscal Year 2019 and has an endowment of approximately \$673.1 million.

USC, along with the USC Development Foundation, the City and the University Neighborhood Association collaborated to develop the Inn at USC, a state-of-the-art hotel with 117 rooms, including several two-room suites, three deluxe suites with fireplaces, and spacious meeting and seminar rooms. The Inn at USC joined the Wyndham Hotel Group in August 2012 and is now known as the Inn at USC Wyndham Garden Columbia. The Inn is the first Wyndham Garden hotel in South Carolina. The Inn at USC Wyndham Garden Columbia is adjacent to, and services the National Advocacy Center. Marriott purchased and renovated another hotel on USC's Columbia campus. The Courtyard Marriott offers 189 rooms, 16 suites, and three meeting rooms with a capacity of 600.

USC's main campus is home to the Colonial Life Arena - the largest arena in the State with 18,000 seats, and the tenth-largest on-campus basketball facility in the nation. This one-of-a-kind facility features 41 luxury suites, four entertainment suites, and a full-service hospitality room with capacity for 300. Also located on USC's main campus is the Strom Thurmond Wellness and Fitness Center and the Greek Village, which consists of 20 residential housing units, each accommodating 35 to 40 resident students. Located on a 29-acre tract along the Congaree River near downtown Columbia is the USC baseball stadium built in 2009 with a seating capacity of 8,242.

USC formed a public/private partnership with partners in business and government to build a 500-acre research campus called "Innovista" in downtown Columbia for research on hydrogen and other technologies. Innovista facilities consist of the Arnold School of Public Health and two research complexes: Horizon Center and Discovery Plaza. The Arnold School of Public Health, situated in a \$22 million, 104,860-square-foot facility, is the only school of public health in the State. Students become equipped to receive master's and doctoral degree programs in public health, medicine, pharmacy, environment, kinesiology, physical therapy and health systems management. The exercise science program is ranked one of the top five nationally. Horizon I contains 125,000 square feet of dry lab and wet lab space, and is home to the National Science Foundation Industry/University Cooperative for Fuel Cell Research. Discovery Plaza I houses a wet lab with vivarium lab for USC biomedical scientists. The second building in each complex will be for private tenants and their research teams, working on projects related to those of the USC researchers, and each complex will have its own attached parking deck. Horizon II (Center for Applied Innovation) is a five-story, 110,000-square-foot office/dry lab building. Tenants will include private-sector firms and governmental units with collaborative USC research relationships. Innovista provides walking and bike paths tying its buildings and parking to Riverfront Park, the USC baseball stadium, and the Strom Thurmond Wellness & Fitness Center. The total investment for the first phase of construction was approximately \$140 million, with the total investment in Innovista expected to reach \$250 million at completion. Construction on the new 250,000 square-foot, \$90 million Darla Moore School of Business, also located in Innovista, was completed in time for the 2014 Fall semester classes.

The USC Alumni Center ("Alumni Center") opened in the Summer of 2015. The Alumni Center is a \$26 million, 60,000 square-foot venue for alumni engagements and to celebrate life's milestones.

Located on the USC campus adjacent to the Strom Thurmond Fitness Center, Moore Business School, Colonial Life Arena and Greek Village is 650 Lincoln - a private, resort-style student housing development including a six-story, 919-bed apartment complex which opened in 2016. The complex features two- and fourbedroom apartments, a campus dining facility, gaming lounge, a fitness center, outdoor dining terrace and courtyard, a pool and other high-end amenities.

USC opened its new School of Law building in June 2017, an \$80 million, 190,000 square-foot sustainable building located in downtown Columbia. The new School of Law anchors the State's legal corridor" with the South Carolina Supreme Court, South Carolina Court of Appeals, the South Carolina Statehouse, the Children's Law Center, and the National Advocacy Center all within a two-block radius. The building features 17 classrooms, ranging in size from 20 to 95 seats, and two realistic courtrooms, including one that also can be used as a 300-seat auditorium.

Having relocated the law school, USC has plans to renovate the previous law school location in a \$47 million project that will incorporate new uses into the building, including space for 21 new labs and additional classrooms.

In August 2017, University of South Carolina trustees approved a \$460 million plan to transform the south side of USC's downtown Columbia campus into a 3,750-bed "Campus Village" student housing complex. The 18-acre site – bordered by Pickens, Heyward and Sumter streets – calls for cast-stone or brick buildings of up to six stories, a 945-space parking garage, several courtyards, retail shops, a cafeteria and restaurants.

Empire is a new private student housing complex located a few blocks from the USC Horseshoe featuring one, two, three, four and five bedroom apartments with private parking and street-level retail. The latest entry into downtown's upscale student housing market includes two glass-covered towers 12-stories high, with a theater, fitness center and rooftop pool. It is situated along Assembly, Pendleton and Park streets, across Assembly from the State House. Construction of the \$60 million, 435,000-square-foot complex was completed in 2018.

USC has announced preliminary plans to relocate its School of Medicine from the aging Veteran Affairs campus location down to the BullStreet District, which would be more closely adjacent to Prisma Health Richland. The \$200 million relocation and expansion would allow for a complete overhaul of the medical school on a new health sciences campus, spanning roughly 16 acres.

Partners in Off-Campus Living are privately owned apartment complexes that have a close working relationship with the University of South Carolina's Off-Campus Student Services Office, and cater their services directly to USC students. Several of the off-campus apartment complexes are: Greene Crossing, 21 Oaks, Pulaski Square, The Lofts at USC, Station at Five Points, The Hub on Compass, Riverside and YOUnion.

Downtown Columbia

Downtown Columbia's 1600 block of Main Street continues its transformation. Anchored by early adopters Mast General and the Nickelodeon Theater, the block now contains a yoga studio, wine parlor, event venue, vegan restaurant, boutique cigar store, specialty ice cream shop, bowling alley, indoor golf venue, and a web development company. In addition to the numerous retail establishments, restaurants, and businesses, Main Street is also home to Soda City and Famously Hot New Year's celebration. Soda City is Columbia's Main Street Farmers Market open every Saturday from 9am - 1 pm, year round. Soda City offers visitors the opportunity to shop for gifts, fresh produce, locally-sourced fresh and prepared food, and craft items. Columbia's Famously Hot New Year's Celebration is South Carolina's largest New Year's Eve event, hosted on Main Street. Started in

2011, Famously Hot New Year is a free, outdoor celebration that draws a diverse, all-ages crowd of tens of thousands of guests—from 48 states and 11 countries—to downtown Columbia.

Columbia Marriott located on Main Street invested approximately \$12 million in renovations to its facilities. A new restaurant concept was a main focus of the renovations, which included updates to all guest rooms and suites and a broad transformation throughout the lobby, the concierge lounge, and the hotel's 27,000-square-feet of meeting space. A 20-story office building adjoining the Columbia Marriott was, after the relocation of its primary tenant, renovated and converted in 2015, into an 850-bed apartment facility (Hub On Campus Columbia) targeted to USC students.

Station at Five Points Apartments, a student housing complex including one, two, three, and four bedroom apartments, with numerous amenities, including electronic building access, study rooms, a 24-hour business center, community-wide high-speed Wi-Fi, media center, fire pit and grilling area, fitness center, pool, gaming room and golf simulator, opened in July 2016.

Segra Park (formerly known as Spirit Communications Park, "Park") opened in April 2016. It is a stateof-the-art multi-use sports and entertainment venue situated in "The Commons at BullStreet" in Downtown Columbia. The Park, which hosted its first game in April 2016, is home to the Columbia Fireflies, an affiliated Minor League Baseball team. The Park was named the 2016 Ballpark of the Year by Ballpark Digest. The Park will anchor various projects at The Commons at BullStreet. The baseball team has approximately 550 part-time and 35 full-time employees. The Park seats approximately 8,000 fans for baseball games and 14,000 for concerts.

The Commons at BullStreet is a 181-acre, planned development intending to provide a live-work-play community in the City's downtown. The first phase of development includes The First Base (office) Building and Bone-In Barbeque, a restaurant which opened in June 2018. The 196-unit Merrill Gardens, senior-living community and 28 residential townhomes are each under construction. The historic Bakery at Bull Street building is home to the SOCO co-work and event space. The Central Energy Facility is the future home of Downtown Church and plans are being formulated to locate a new USC Health Sciences campus on The Commons at BullStreet.

In September 2018, Experience Columbia held its ribbon cutting ceremony for the brand new state-ofthe-art Columbia SC Visitors Center. The 500-square-foot facility will be a resource for visitors and Columbia residents to find gift items, purchase tickets for area attractions and even embark on a walking tour.

Sola Station at Canalside is a \$58 million, mixed use development on Columbia's Riverfront that will incorporate 339 multifamily units and 30,000 square feet of commercial space.

In November 2018, a grand opening was held for The Busby Street Community and Resource Training Center ("Busby Street Complex"). The Busby Street Complex is comprised of two buildings, the Columbia Parks & Recreation Department's 6,968-square-foot Community Center ("Community Center"), which offers a large playground and walking trail directly behind the building, and the Columbia Police Department's 1,439-square-foot Office of Community Services"). The Community Center houses a large multipurpose room that can be divided into three smaller meeting spaces, state-of-the-art audiovisual equipment, three office spaces, a kitchen and a conference room. The Office of Community Services is also equipped with state-of-the-art audiovisual equipment, three office spaces and a conference room.

In November of 2018, Duck Creek unveiled the opening of their expansion into the 14th floor of 1441 Main Street. Duck Creek is a provider of core system cloud services and software to the global property and casualty insurance industry. The expansion helps provide additional space for the approximately 40 employees they have added since 2017, as well as room for new hires as they continue to grow.

In April 2018, a new boutique hotel, Hotel Trundle, opened in Columbia's Main Street district. The 41room hotel spans three half-century-old buildings, which used to house an auto parts store, a furniture store and a paint store.

In January 2018, the Hunter-Gatherer Brewery opened in Columbia's historic Depression-era Curtiss-Wright hangar at Jim Hamilton-L.B. Owens Airport. The hangar underwent a complete renovation and re-opened as a craft brewery owned and operated by Hunter Gatherer. The brewery takes up the entire 13,000-square-foot hangar and includes a tap room, event space, an open-to-the-public brewery and an observation deck overlooking the commuter airport near Rosewood Drive. The hangar has hosted the likes of World War II hero Jimmy Doolittle and aviation legend Amelia Earhart.

In November 2017, the City announced the Azurest at Heritage Creek project, which will be located in the City's northern area. The project is a mixed-use development of commercial, residential and retail space to include single- and multi-family housing, retail and recreation to 80, currently-undeveloped, acres. The development is expected to include more than 100 homes, a senior assisted-living facility, a school, boutique shops, medical clinics, and restaurants.

The Vista

The City, in cooperation with the City and Lexington County, constructed a 142,500 square-foot, stateof-the-art meeting and convention center in the downtown "Vista" area at a cost of \$40 million. The Columbia Metropolitan Convention Center ("Convention Center") is complemented by a 222-room, full service Hilton Convention Center Hotel, along with an adjacent 829-space parking garage serving the hotel, convention center and area businesses. In recent years, the possible expansion of the Convention Center has generated a great deal of interest, especially from the hospitality community and City leaders, as a way for Columbia's downtown to continue to development and to compete with other destinations for larger convention traffic. Possible expansion plans include the addition of approximately 100,000 square feet, including approximately 75,000 square feet of exhibition space, and the construction of additional parking facilities. Recently, a developer, citing the need for an expanded Convention Center, announced plans for the possible development of two upscale hotels, featuring approximately 450 rooms in the aggregate, approximately 25,000 square feet of meeting space, a restaurant and other amenities, as well as other restaurant, retail, office and residential components, on approximately 12 acres adjacent to the expanded Convention Center. Other major projects in the Vista area include renovation of the historic South Carolina Dispensary Warehouse for reuse as a Publix grocery store and townhouses, and the development of Canal Front Park along the Columbia Canal.

Residential projects in the Vista include Justice Square Town Homes, a 12-unit residential project. In addition, Renaissance Plaza Apartments provides live/work residential units, with 17 small storefronts and professional offices and 55 condominiums. The Canal Side development consists of 25 acres and 750 total units of single-family attached, detached and multi-family residential options, a central park area, open space adjacent to the Congaree River and Columbia Canal, and a limited amount of complementary retail and commercial space. In addition to the above, many businesses, including over 60 restaurants and bars, approximately 40 art galleries and specialty shops, hotels, banks, retail stores, and other office buildings have been or are currently under development in the Vista area.

The Vista offers various hotels and places to stay overnight, including the Courtyard Columbia Downtown at USC, the Hampton Inn Downtown Historic District, the Holiday Inn Express and Suites, the Sheraton Columbia Downtown, the Springhill Suites Columbia Downtown, Staybridge Suites, the Hyatt Place, and Aloft.

In February 2017, the new Aloft Hotel opened, bringing a new, unique boutique hotel option to the Vista. The five-story, 107 room hotel provides another contemporary and artsy offering for those looking to stay downtown providing easy walking access to most restaurants and the Convention Center. Aloft is a spinoff of the Starwood company's trendy W hotels.

In August 2016, Congaree Vista Guild announced the opening of four housing developments: The Apartments at Palmetto Compress, GreeneCrossing, ParkPlace, and 650 Lincoln, which all offer residents an urban environment convenient to the University of South Carolina, shops, restaurants, nightlife and more. These developments have added approximately 2,000 new residents to the population of Vista, and estimated to now include 5,000 residents, doubling the resident population in the Vista.

In addition to the above, many businesses, including restaurants, hotels, banks, retail stores, apartments and other office buildings, have been or are currently under development in the Vista area.

Fort Jackson

Fort Jackson ("*Fort*") was established in 1917 and designated as a permanent post of the United States Army in 1940. The Fort is the largest and most active Initial Entry Training Center in the United States Army, providing training to 54% of the Army's Basic Combat Training load and 60% of the women who enter the Army each year. While some installations have experienced downsizing and closure in past years, Fort Jackson has added several new schools and training institutions since 1995 including the Army's Drill Sergeant; Master Fitness and Master Resiliency Schools; the Soldier Support Institute and their Adjutant General, Financial Management, Non-Commissioned Officers Academy, and Inter-Service Postal Training Activity; the National Center for Credibility Assessment; and the Armed Forces Chaplaincy Center and School training Army, Air Force, and Naval Chaplains. These schools and training institutions provide advance training to over 22,000 students.

More than 3,500 active duty soldiers and their family members are assigned to the Fort. The Fort instructs more than 47,000 soldiers in basic training and advanced individual training each year. The Fort employs almost 2,600 civilians and provides services for more than 46,000 retirees and their family members. An additional 22,000 students attend courses at the Soldier Support Institute, Armed Forces Chaplaincy Center and School, National Center for Credibility Assessment and Drill Sergeant School annually.

Approximately 15,000 acres of the 52,000-acre base are licensed to the South Carolina Army National Guard, which operates the McGrady National Training Center. The McGrady National Training Center is responsible for training members of the SC Army National Guard and is the central training facility for Navy and Air Force Personnel assigned as Individual Augmentees.

The Fort also provides numerous support services for soldiers and their families, including the Moncrief Army Health Clinic ("*Moncrief*"), an out-patient services clinic, providing health services on base. Moncrief provides preventative medicine, behavioral health, chiropractic, dental, immunization, laboratory, nuclear medicine, nutrition care, optometry, pharmacy, physical therapy, radiology, and other services. Moncrief offers acute care services but does not have an emergency room.

The Fort, annexed into the City in October 1968, has a significant economic impact on the midlands area, contributing approximately \$2.4 billion to the local economy. In addition, approximately 250,000 friends and family members visit the midlands area each year to attend basic training graduation activities, using local hotels, restaurants and shopping areas. The Fort encompasses more than 52,000 acres of land including over 100 ranges and field training sites and 1,160 buildings. Recent improvements include: U.S. Army Reserves' 81st Readiness Division, U.S. Army Drill Sergeant Academy, Family Housing, Basic Combat Training Museum, Hilton Field, Starship Barracks, Family Life Center, Master Resilience Course building and IHG Army Hotel.

Population

The population of the City, Lexington County, Richland County and the Columbia Metropolitan Statistical Area ("Columbia MSA") for the preceding three decades and an estimate as of July 1, 2019, are set forth in the following table:

Year	<u>City</u>	Lexington County	Richland County	Columbia MSA
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1990	103,477	167,611	285,720	453,932
2000	116,278	216,014	320,677	647,158
2010	129,272	262,391	384,504	767,598
2019^{\dagger}	131,674	298,750	415,759	838,433

Source: U.S. Department of Commerce, Bureau of the Census. [†]Estimate as of July 1, 2019.

Estimate as of July 1, 2019.

Per Capita Personal Income

The per capita personal income in the City, the State and the United States for each of the last five years for which information is available is below:

Year	Lexington	Richland County	State
	County		
2014	\$40,433	40,189	37,622
2015	42,807	42,007	39,496
2016	43,666	42,473	40,404
2017	45,533	44,250	42,081
2018	46,513	45,529	43,702

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Updated November 14, 2019 - new statistics for 2018; revised statistics for 2014-2017.

Median Family Income

Median family income statistics for the City are available only as combined figures for the Columbia MSA. The median family income for the Columbia MSA for the last five years for which information is available is shown in the following table. Median family income figures for the State and United States are shown for comparison purposes.

Year	Columbia MSA	State	United States
2015	64,700	55,500	65,800
2016	64,100	56,100	65,700
2017	67,000	58,300	68,000
2018	69,900	62,500	71,900
2019			

Source: U.S. Department of Housing and Urban Development

Median Age and Education Levels

The following table illustrates the changes in the median age of the City and the percentage of the population 25 years old and older with a bachelor's degree or higher from the 2000 census to the latest estimate available from the United States Census Bureau. Median age and education statistics for the State and the United States are included for comparison purposes.

	Me	dian Age (in yea	ars)	Percentage ov	ver 25 with bach	<u>elor's degree</u>
	<u>County</u>	State	<u>U.S.</u>	<u>County</u>	State	<u>U.S.</u>
2000	32.6	35.4	35.3	32.5%	20.4%	24.4%
2010	32.6	37.9	37.2	36.0	24.5	27.4
2017	33.6	39.0	38.1	37.7	27.0	30.9

Source: United States Census Bureau

Construction Activity

	Con	mmercial	Re	sidential
Fiscal Year	Number of	Estimated	Number of	Estimated
Ended	<u>Units</u>	Commercial Costs	<u>Units</u>	Residential Costs
June 30				
2015	32	\$ 96,485,135	629	\$118,450,921
2016	34	78,078,051	179	31,824,601
2017	31	107,273,675	316	67,337,325
2018				
2019				

Source: City of Columbia, Planning and Development Services, Permits

Retail Sales

The following table shows retail sales of businesses located in Lexington County, Richland County and the City for the last five fiscal years, for which information is available:

Fiscal Year	Lexington	Richland	
Ended	<u>County</u>	County	<u>City</u>
June 30			
2015	\$12,277,626,168	\$10,616,492,430	\$4,781,690,279
2016	15,315,151,929	11,299,456,248	5,272,281,860
2017	15,107,007,657	11,419,480,075	5,262,679,780
2018	14,646,693,608	11,483,661,054	5,441,133,931
2019	14,590,044,748	11,838,516,781	

Source: South Carolina Department of Revenue

Major Industrial Employers

The following table shows the ten largest industrial employers, located within the Columbia MSA, the type of business and their approximate number of employees:

		Number of
Name	<u>Type of Business</u>	Employees
Dominion Energy	Utility	3,066
Michelin North America Inc.	Tire manufacturing	1,525
Westinghouse Electric Corp.	Nuclear fuel assemblies	1,227
Invista	Chemical products/preparation	1,000
Nephron Pharmaceuticals	Pharmaceuticals	1,000
Trane	Air conditioning	900
Square D/Schneider Electric	Industrial electrical controls	800
International Paper Co.	Wood and Paper Products	700
McEntire Produce	Fresh Produce Processor	558
The State Media Company	Newspaper Production	560

Source: Central SC Alliance

Major Non-Industrial Employers

The following table shows the ten largest non-industrial employers (other than the governmental entities described under "Government Employers" below), located within the Columbia MSA, the type of business and their approximate number of employees:

Name	Type of Business	Approximate Number of Employees
Prisma Health	Health Care	15,000
Blue Cross & Blue Shield of SC	Insurance	9,839
Lexington Medical Center	Healthcare	6,699
Amazon	Distribution Center	2,400
AT&T	Telecommunications	2,100
Providence Health	Healthcare	1,625
UPS	Logistics, Distribution	1,546
Verizon	Telecommunications	1,445
Palmetto GBA	Finance & Insurance	1,300
Colonial Life	Finance & Insurance	1,300
Allied Universal	Corporate Security	1,200

Source: Central SC Alliance

Government Employers

Governmental entities are the largest employers in the Columbia MSA. As the table below indicates, such governmental entities have historically provided a stable employment base. These entities include the State government, local governments (including the City), other federal government entities and local school districts. The table shown below provides a breakdown on employment by these entities for the Columbia MSA:

	Approximate Number
<u>Name</u>	of Employees
State of South Carolina	32,085
University of South Carolina	6,395
S.C. Department of Corrections	4,707
Richland County School District 1	4,265
S.C. Department of Transportation	4,245
S.C. Department of Mental Health	4,143
S.C. Department of Social Services	4,069
Lexington County School District 1	3,750
Richland County School District 2	3,654
S.C. Department of Health and Environmental	2,994
Control	

Source: Central SC Alliance

Unemployment Rate

The average unemployment rates in the City, Lexington County, Richland County, the State and the United States for each of the last five calendar years, for which information is available, are set forth in the following table:

		Lexington	Richland		United
Year	<u>City</u>	County	County	State	States
2015	6.5%	4.8%	5.7%	6.0%	5.3%
2016	5.5	4.1	4.9	5.0	4.9
2017	4.7	3.6	4.3	4.3	4.4
2018	3.9	2.9	3.4	3.4	3.9
2019	2.7	2.3	2.9	2.8	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

The monthly unemployment rates in the City, Lexington County, Richland County, the State and the United States, for each of the last five years for which information is available was:

Month	City	Lexington County	Richland County	State	United <u>States</u>
September	1.9	1.6%	2.0%	2.0%	3.3%
2019		1.070	,	21070	01070
October 2019	2.2	2.0	2.3	2.4	3.3
November	2.1	1.8	2.2	2.3	3.3
2019					
December 2019	2.2	1.9	2.2	2.4	3.4
January 2020	2.7	2.3	2.8	3.0	4.0
February 2020	2.8	2.5	2.9	3.1	3.8
March 2020	2.8	2.4	2.8	3.0	4.5
April 2020	8.5	7.6	9.0	12.2	14.4
May 2020	9.3	8.1	10.1	12.0	13.0
June 2020	7.8	6.5	8.7	8.9	11.2
July 2020	7.8	6.3	8.7	8.9	10.5
August 2020	5.9 ^(P)	4.7	6.8	6.6	8.5

^(P) Preliminary

Source: U.S. Department of Labor, Bureau of Labor Statistics (City only); S.C. Department of Employment & Workforce

Transportation

Interstate highways I-20, I-26 and I-77 and a network of U.S. and State highways traverse the Columbia MSA. Rail freight service is provided by CSX Transportation and Norfolk Southern Corporation. Rail passenger service is available through Amtrak. Nationwide freight service is available through approximately 50 motor freight lines regularly serving the area. Intercity bus service is provided by Greyhound Lines, Inc.

The Columbia Metropolitan Airport ("*Airport*" or "*CAE*"), located in the unincorporated area of Lexington County, and approximately six miles southwest of the City's central business district, is comprised of two runways, associated taxiways, an air traffic control tower, aviation fuel storage facilities, aircraft parking aprons, a passenger terminal building, air cargo buildings, general aviation hangars and terminals, support facilities for the U.S. Army Reserve, the aeronautical facilities of the South Carolina Aeronautics Commission, roads, grounds and public parking facilities; all of which are located on approximately 2,600 acres. Air operations are conducted on an 8,600-foot x 150-foot runway and an 8,000-foot x 150-foot runway. The passenger terminal features a two-level concourse for common-use gates; a central food court within easy view of

all gates; expanded airline ticket counter; baggage claim area; valet parking; and a covered walkway between the terminal and parking lot. A multi-level parking structure and surface parking lots provide a combined 3,505 public parking spaces. The Airport serves more than 1.2 million passengers annually and processes more than 168,000 tons of air cargo. A 108-acre parcel of the Airport property has been designated as Foreign Trade Zone 127 by U.S. Customs. The Columbia Airport Enterprise Park is a 435-acre industrial park located on the Airport complex. The FAA Southern Region Airports Division awarded the Airport the 2005 Air Carrier Airport Safety Award. The Airport has hired and maintained a competent, trained staff of Airport rescue firefighters, maintenance technicians and operations coordinators.

The passenger airlines currently serving the Airport are: American Airlines, Delta Air Lines, and United Airlines, which provide over 60 non-stop departures to 10 major airports and 9 destinations. The major air cargo companies serving the Airport include Mountain Air Cargo, Federal Express United Parcel Service ("*UPS*") and contracted carriers.

The Airport is the site of UPS' southeastern region Air/Ground Hub and Sortation Station for both its Next Day Air and Second Day Air package delivery services. Using its own funds, UPS constructed a package sortation building encompassing approximately 352,000 square feet on a 50-acre site near the Airport, which it purchased from the Airport. UPS is also leasing from the Airport a 35,000 square foot office building on a nine-acre site in CAE Park which houses the 200-person staff that reconciles and administers UPS' system-wide COD delivery services. UPS is operating with a minimum of 20 daily jet freighter arrivals and 20 departures at the Airport.

In June 2017, the Airport completed the process of transforming five acres of Airport property to a 4,320panel solar farm, the first solar farm at an airport in the State. CAE dedicated \$60 million to implement environmentally friendly projects as a part of their Enhanced Construction Opportunities Program. The solar farm is located between two runways and can produce enough energy to power 225 homes. The new solar farm is expected to save the Airport approximately \$250,000 a year.

The Jim Hamilton-L.B. Owens Airport, with a 5,011-foot x 75-foot runway and 400-foot stopway, is located in the southeast section of the City and is used by private and other small aircraft.

Medical Facilities

Richland County is a regional health center with two federal facilities (Wm. Jennings Bryan Dorn VA Medical Center and Moncrief) and five primary acute care hospitals. Furthermore, there are five psychiatric hospitals and approximately 100 licensed nursing homes and community residential care facilities in the Columbia MSA. Prisma Health Richland, Prisma Health Baptist, and Prisma Health Baptist Parkridge ("*Parkridge*"), Providence Hospital and Providence Hospital Northeast located in Columbia. Prisma Health Baptist, Prisma Health Richland and Parkridge, comprise a portion of the newly created Prisma Health system, which was formed by an affiliation between the Greenville Health System and Palmetto Health ("*Prisma Health*"). Prisma Health offers a broad range of medical services at both Columbia campuses, such as Behavioral Health Services, The Birthplace, Chest Pain ER, Children's Hospital, Emergency and Trauma Center, Geriatric Medicine, Prisma Health Breast Center, Prisma Health Heart Hospital, Prisma Health Cancer Center, South Carolina Comprehensive Breast Center and Stork's Landing. Prisma Health offers a total of 12 medical residency programs at its two teaching hospitals, Prisma Health Richland and Prisma Health Richland and Prisma Health Richland and Prisma Health Richland and Prisma Health Breast Center and Stork's Landing. Prisma Health offers a total of 12 medical residency programs at its two teaching hospitals, Prisma Health Richland and Prisma Health Baptist with more than 230 residents on staff.

Prisma Health Baptist, located in downtown Columbia, operates a capacity of 352 acute care beds, with approximately 2,300 employees and a medical staff of 740. Prisma Health Baptist's areas of specialty include cardiac catheterization, oncology, surgery, urology, women's services, orthopedics, and behavioral care.

Prisma Health Richland is a 641-bed regional community teaching medical center consisting of more than 4,200 employees and a medical and dental staff of approximately 900. Prisma Health Richland offers the Midland's only Pediatric Intensive Care Unit; a Level III Neonatal Intensive Care Unit; a day hospital featuring a

pediatric sedation unit; STORK, the State's first neonatal transport ambulance; the Children's Center for Cancer and Blood Disorders; and the Children's Emergency Center. In addition, the Children's Hospital has an education coordinator to arrange for educational assistance to help patients keep up with their schoolwork.

Prisma Health Heart Hospital ("*Heart Hospital*"), located at the Richland campus, is a state-of-the-art cardiac care facility, which is the State's only freestanding facility dedicated entirely to the prevention, diagnosis and treatment of cardiovascular diseases. To provide an unparalleled level of individualized care for residents of the State, the hospital includes: 124 private inpatient beds; Cardiovascular Intensive Care Unit; Critical Care Unit; Cardiac Diagnosis; Cardiac Cath and Electrophysiology labs; Cardiac Rehabilitation Program; Pulmonary Rehabilitation Program; Telemetry Units; labs and diagnostic test areas; landscaped atriums; 700-car parking garage; gift shop; and specialty coffee cart. Attached to the Heart Hospital is a 100,000 square-foot medical office building which enables physicians and clinical staff to spend more time caring for the patients.

Parkridge, located in the northwest portion of the City is Prisma Health's newest full-service community hospital offering state-of-the-art inpatient, surgical, medical and emergency care. The Parkridge facility includes 76 in-patient beds, an intensive care unit, a labor and delivery unit and newborn nursery, six operating rooms, and diagnostic and treatment services, which include imaging, laboratory, pharmacy and more. Additional services are planned for Parkridge, including non-invasive cardiology, neurosurgery, orthopaedics, and outpatient rehabilitation to name a few.

The Birthplace at Prisma Health Baptist, Prisma Health Richland, Parkridge, and Prisma Health's Tuomey Hospital in Sumter, South Carolina, are the only Baby-Friendly designated hospitals in the Midlands and have all been designated as Blue Distinction® centers by BlueCross BlueShield of South Carolina. In 2018, more than 7,200 babies were delivered at The Birthplace. The Birthplace offers private birthing rooms that feature birthing beds, postpartum rooms, as well as the Nesting Place for mother and newborn. The Birthplace also offers a high-risk antenatal obstetric unit, state-of-the-art monitoring systems and a Level III Neonatal Intensive Care Unit.

The Veterans Administration operates Wm. Jennings Bryan Dorn VA Medical Center for veterans – a 216-bed facility encompassing acute medical, surgical, psychiatric and long-term care. An affiliation is held with the USC School of Medicine, located on the hospital grounds. Additionally, there is one private psychiatric hospital, Three Rivers Behavioral Health L.L.C.; three State-owned and operated psychiatric hospitals (G. Werber Bryan Psychiatric Hospital, South Carolina State Hospital, and William S. Hall Psychiatric Institute); and one rehabilitation hospital, Encompass Health.

A part of LifePoint Health, Providence Health (Downtown) and Providence Health Northeast are leading providers of cardiovascular and orthopedic services in the Midlands. Providence Health (Downtown) is a 258bed facility that was founded in 1938 by the Sisters of Charity of Saint Augustine to minister to the community, in body, mind and spirit. The facility is best known for its expertise in cardiac care and serves as a nationally recognized referral center for the prevention, diagnosis and treatment of cardiovascular disease.

Providence Health Northeast is a 74-bed full-service hospital with special focus on orthopedic care and emergency services and provides a variety of outpatient services including diagnostic imaging, a nationally accredited cardiopulmonary rehab program, a nationally accredited sleep diagnostic center and a physical therapy, speech therapy and occupational therapy facility.

Higher Education

There are eight main institutions of higher education in the Columbia MSA, the largest being the main campus of the University of South Carolina. The table below lists these institutions and the Fall 2019 headcount enrollment figures.

College/University	Enrollment
University of South Carolina (Columbia Campus)	35,364
Midlands Technical College	9,160
Benedict College [†]	2,155
Southern Wesleyan University	1,430
Columbia College	1,243
Columbia International University	1,651
South University	799
Allen University	817

[†] As of Fall 2018.

Source: South Carolina Commission on Higher Education.

Midlands Technical College ("*MTC*") is a comprehensive, multi-campus, two-year college serving the primary region of Richland, Lexington and Fairfield counties. One of South Carolina's largest two-year colleges, MTC enrolls students seeking to develop career skills or transfer to a four-year institution. MTC employs approximately 600 permanent faculty and staff and approximately 400 adjunct faculty. More than three-quarters of MTC's faculty holds a master's degree or doctorate degree in their teaching field. MTC offers approximately 100 associate degrees, diploma and certificate programs of study, and an estimated 70% of the courses are in the career program area. MTC is comprised of seven campuses – Airport, Batesburg-Leesville, Beltline, Fairfield, Fort Jackson, Harbison, and the 100-acre Northeast Campus which contains MTC's Enterprise Campus and Center of Excellence for Technology. MTC also has a teaching location at the Fort that serves enlisted personnel and civilians. MTC's Continuing Education Division provides continuing education opportunities to more than 30,000 individuals annually and is one of the largest providers of noncredit professional upgrade training of any two-year college in the State. MTC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and is part of the South Carolina Technical College System.

Recreation

The City offers many opportunities for recreation and leisure activities. The Columbia Museum of Art is South Carolina's premier international art museum with extraordinary collections of European and American fine and decorative art that span centuries. The South Carolina State Museum is the largest museum in South Carolina, located in America's first electric-powered textile mill with extensive exhibits in the disciplines of art, science and technology, cultural history and natural history. There are 12 art and historical museums in the area. EdVenture Children's Museum, the South's largest children's museum at 67,000 square feet, is the home of Eddie, the world's largest child, along with hundreds of interactive exhibits to inspire children to experience the joy of learning.

Throughout the City are various museums and theatres, including the Columbia Museum of Art, the Historic Columbia Foundation, the South Carolina Confederate Relic Room and Military Museum, the South Carolina State Museum, the Koger Center for the Arts, Trustus Theatre and Town Theatre. Town Theatre is the oldest, continuously operating community theatre in the U.S. and is listed on the National Register of Historical Places. The theatre provides live community theatre performances throughout the year with emphasis on musicals, comedies and youth productions.

Riverbanks Zoo & Garden ("*Riverbanks*"), ranked among the top ten zoos in the nation, is home for more than 2,000 animals housed within naturalistic exhibits and a botanical garden. Riverbanks is committed to the conservation of wildlife, to the audience's education of natural history, and to the enhancement of the quality of life in its community through the provision of high-quality recreational opportunities. Riverbanks offers rides

and attractions, such as Zip the Zoo and ZOOm the River zipline and Waterfall Junction, a cool water retreat, and recently completed the single largest expansion in its 40-year history which included upgrades to the entryway, ticketing facilities, parking lot and restrooms, construction of a new children's garden and new animal exhibits, such as Grizzly Ridge, Otter Run and Sea Lion Landing.

Lake Murray, a 50,000-acre man-made lake with more than 500 miles of shoreline in Richland, Lexington, Saluda and Newberry counties, includes limitless opportunities for fishing, camping, boating, sailing and skiing, as well as residential sites for single-family and multi-family development. Congaree National Park, located in southeast Richland County, less than 30 minutes from downtown Columbia, offers more than 20,000 federally designated wilderness acres that visitors can explore by foot, kayak, or canoe. The park preserves one of the largest tracts of old growth bottomland hardwood forest left in the United States. Moreover, the lush trees growing in its floodplain forest are some of the tallest in the Eastern United States, forming one of the highest temperate deciduous forest canopies remaining in the world.

The University of South Carolina and other area universities and colleges offer a wide range of sports activities for both spectators and participants.

Financial Institutions

The Columbia MSA serves as the chief financial center of the State. According to the Federal Deposit Insurance Corporation, as of June 30, 2020, there were 171 branches of commercial banks and savings institutions in the Columbia MSA, with deposits at all financial institutions totaling \$24,167,787

TAX TREATMENT

Federal Tax Matters

General. On the date of initial execution and delivery of the Bonds, Bond Counsel will render an opinion that, under existing law, the interest on the Bonds will be taxable as ordinary income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other federal income tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Set forth below is a general summary of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the Bonds. Such summary does not address every aspect of the federal income tax laws that may be relevant to prospective purchasers of Bonds in light of their personal investment circumstances or to certain types of owners subject to special treatment under the federal income tax laws (for example, banks and life insurance companies) and is generally limited to investors who will hold Bonds as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a prospective purchaser. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors regarding federal, state, local, foreign and any other tax consequences. Such summary is based on the provisions of the Code, as amended, the Treasury Regulations thereunder, and published rulings and court decisions in effect as of the date hereof, all of which are subject to change, possibly retroactively. No ruling on any of the issues summarized below has been or will be sought from the Internal Revenue Service ("**IRS**"), and no assurance can be given that the IRS will not take contrary positions and will not prevail with such positions.

Prospective purchasers of the Bonds should be aware that the acquisition, ownership or disposition of, and the accrual or receipt of interest on, the Bonds may result in collateral federal income tax liability consequences to certain taxpayers as well as any tax consequences that may arise under the laws of any state, local or foreign jurisdiction. The extent of such other collateral tax consequences will depend upon the owner's particular tax status or other items of income or deduction and prospective purchasers of the Bonds, particularly prospective purchasers that are dealers in securities or currencies, traders in securities, persons holding Bonds as a hedge, straddle, conversion or other integrated transaction for federal income tax purposes, insurance companies, financial institutions, tax-exempt organizations and United States holders whose functional currency

is not United States dollars, should consult their own tax advisors as to the collateral tax consequences of acquiring, owning or disposing of, and the accrual or receipt of interest on, the Bonds. Bond Counsel expresses no opinion regarding any such collateral tax consequences.

The Code requires debt obligations, such as the Bonds, to be issued in registered form and denies certain benefits to the issuer and the holders of debt obligations failing such registration requirement. Such registration requirement with respect to the Bonds is expected to be satisfied.

Subject to certain exceptions, interest payments to the owners of Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 (or such other applicable form), which reflects the name, address and taxpayer identification number of each registered owner of the Bonds. A copy of Form 1099 (or such other applicable form) will be sent to each registered owner of the Bonds for federal income tax reporting purposes.

Tax Classification of the Bonds. Bond Counsel is of the opinion that, under existing law, the Bonds will be treated for federal income tax purposes as indebtedness, and interest paid on the Bonds will be included in the income of the owner as it is paid (or, if the owner is an accrual method taxpayer, as it is accrued) as interest.

Original Issue Discount. It is anticipated that the Bonds will be initially delivered at par value (or at an insubstantial discount from par value) and that stated interest on the Bonds will be taxable as ordinary income for federal income tax purposes when received or accrued by in accordance with their respective method of tax accounting. It is not expected that any original issue discount ("*OID*") will arise with respect to the Bonds. Application of the OID rules to the Bonds could result in some acceleration of the recognition of income by cash basis owners. Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding the treatment of OID, if any, on the Bonds.

Market Discount. The resale of any Bond by any owner of such Bond may be affected by the "market discount" provisions of the Code. For such purpose, the market discount on any Bond will generally be equal to the amount, if any, by which the stated redemption price at maturity of such Bond immediately after its acquisition by such owner exceeds such owner's adjusted tax basis in such Bond. Subject to a *de minimis* exception, such market discount provisions generally require an owner of a Bond which is acquired by such owner at a market discount to treat any payment on, or any gain recognized on the sale, exchange, redemption or other disposition of, such Bond as ordinary income to the extent of any "*accrued market discount*" on such Bond which has not previously been included in income at the time of sale or other disposition by such owner. In general, any market discount on Bond will be treated as accruing on a straight-line basis over the term of such Bond, or, at the election of the owner of such Bond, under a constant yield method. Prospective purchasers of Bonds should consult their own tax advisors as to the tax consequences of acquiring, owning or disposing of, and the accrual or receipt of interest on, Bonds acquired at a market discount.

Premium. If a Bond is purchased by an owner at a premium, the owner may be entitled to amortize such premium as an offset to interest income (with a corresponding reduction in the owner's basis) under a constant yield method over the term of the Bond if an election under Section 171 of the Code is made or is previously in effect.

Sale of Bonds. If a Bond is sold or redeemed, the seller will recognize gain or loss equal to the difference between the amount realized on the sale or redemption and the seller's adjusted basis in the Bond. Such adjusted basis generally will equal the cost of the Bond to the seller, increased by any market discount included in the seller's gross income and decreased by any payments on the Bond. Except with respect to market discount, gain or loss recognized on a sale, exchange or redemption of a Bond will generally give rise to capital gain or loss if the Bond is held as a capital asset and will be long-term if the holding period is more than one year. The holding period analysis may be affected by the determination of whether the Bonds are treated as a single debt instrument or a series of debt instruments and prospective purchasers are especially encouraged to consult with their own tax advisers on this subject.

Foreign Investors. Generally, payments of interest with respect to the Bonds to an owner of Bonds that is a nonresident alien individual, foreign corporation or other non-United States person (a "foreign person") not engaged in a trade or business within the United States will not be subject to federal income or withholding tax if such foreign person complies with certain identification requirements (including the delivery of a statement, signed by such owner under penalty of perjury, certifying that such owner is a foreign person and providing the name and address of such owner). Foreign investors should consult their own tax advisors regarding the potential imposition of withholding taxes. The summary herein assumes that the owners of the Bonds are not foreign persons. Special rules may apply to foreign persons with respect to the information reporting requirements and withholding taxes.

Backup Withholding. Payments made to an owner with respect to the Bonds and proceeds from the sale of the Bonds will ordinarily not be subject to withholding of federal income tax if such owner is a United States person. However, even a United States person will be subject to withholding of such tax at a rate of 28% under certain circumstances. Except in the case of certain "exempt payees" as defined in the Code, such backup withholding will generally be applicable if an owner (1) fails to furnish to the Trustee such owner's social security number or other taxpayer identification number (collectively, "**TIN**"), (2) furnishes the Trustee an incorrect TIN, (3) fails to report properly interest, dividends or other "reportable payments" as defined in the Code, or (4) under certain circumstances, fails to provide the Trustee with a certified statement, signed under penalty of perjury, that the TIN provided to the Trustee is correct and that such owner is not subject to backup withholding.

CERTAIN LEGAL MATTERS

Opinion

The final approving opinion of Bond Counsel will be furnished without charge to the purchaser of the Bonds at the time of their delivery. The proceedings provide that the opinion to be rendered by counsel upon the validity of the Bonds will be printed on the back of or attached to the Bonds.

Bond Counsel has assisted the Issuer and the City by compiling certain information supplied to it by the Issuer, the City and others and included in this Official Statement, but has not made an independent investigation or verification of the accuracy, completeness or fairness of such information. The opinion of Bond Counsel will be limited solely to the legality and enforceability of the Bonds, and no opinion will be given with respect to this Official Statement.

The opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation

There is no litigation presently pending or threatened challenging the validity of any debt issued or proposed to be issued by the Issuer or the City or otherwise challenges, in any manner, the right of the Issuer or the City (as applicable) to enter into the Trust Agreement, the Base Lease, or the Purchase and Use Agreement or to secure the Bonds in the manner provided in the Trust Agreement. *However, neither the Issuer nor the City can give any assurance that litigation challenging the financing plan described in this Official Statement would not be filed in the future or, except for litigation of which the Issuer or the City is aware, has been filed and not properly served on the Issuer or the City.*

Closing Certifications

The Issuer and the City will furnish certifications by appropriate officials that this Official Statement as of its date and as of the date of delivery of the Bonds, does not contain an untrue statement of a material fact and

does not omit to state a material fact which should be included for the purpose for which the Official Statement is intended to be used or which is necessary to make the statements contained, in light of the circumstances in which they were made, not misleading.

Appropriate certification will be given by Issuer and County officials to establish that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Bonds.

CONTINUING DISCLOSURE

To the extent required by Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission (the "*Rule*"), the City, through a written agreement or contract for the benefit of registered owners and the Beneficial Owners of the Bonds, will provide notice, in a format as required by the Rule, either directly or indirectly through a designated agent, in a timely manner not in excess of ten business days after its occurrence, of any of the events enumerated in section (b)(5)(i)(C) of the Rule and will provide certain financial information and operating data relating to the City by no later than [] 1 after the end of each of the City's fiscal years, commencing with the report for the Fiscal Year 2020 ("*Annual Report*"). The form of that written agreement, the Disclosure Dissemination Agent Agreement ("Continuing Disclosure Agreement"), entered into by the City with Digital Assurance Certification, LLC ("*DAC*"), in connection with the issuance of the Bonds ("*DDAA*"), is attached as Appendix []. The Annual Report will be filed on behalf of the City by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board ("*MSRB*"). The notices of any events enumerated in section (b)(5)(i)(C) of the Rule will be filed on behalf of the City by DAC, as dissemination agent, with the form of which is attached as Appendix E. These covenants have been made in order to assist the original purchasers of the 2020 Bonds in complying with the Rule.

As provided in the Continuing Disclosure Agreement, if the City fails to comply with any provision of the Continuing Disclosure Agreement, any registered owner or "Holder" of the Bonds may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement. "Beneficial Owner" is defined in the Continuing Disclosure Agreement to mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2020 Bonds (including persons holding 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2020 Bonds for federal income tax purposes. If any person seeks to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement, it is the responsibility of such person to demonstrate that it is a "Holder" within the meaning of the Continuing Disclosure Agreement.

For the Fiscal Year 2015, the City timely filed its annual report on January 22, 2016. For Fiscal Year 2016, the City timely filed its annual report on January 25, 2017. For Fiscal Year 2017, the City timely filed its annual report on January 26, 2018. For Fiscal Year 2018, the City timely filed its annual report on January 25, 2019.

In recent years there have been numerous rating actions reported by Moody's and S&P (each as defined herein) affecting several municipal bond insurance companies, some of which had insured or insure certain of the City's bonds. Due to widespread knowledge of these rating actions, material event notices have not previously been filed by the City in each instance. The City filed notice on July 11, 2016, of S&P's change of Assured Guaranty Corp's rating from AA- to AA in March 2014.

The City's policy when it learns of incomplete or late filings is to take remedial action and provide this information immediately. In addition, the City has taken and is continuing to take certain steps to help identify and report events which may trigger continuing disclosure obligations pursuant to the Rule, including but not limited to, (1) increased education (including periodic training) and awareness by the City's finance staff of the importance of the Rule and continuing disclosure requirements provided thereby; (2) adoption of written policies

and procedures related to continuing disclosure and the assignment by the City of its most senior finance staff member with responsibility for continuing disclosure; and (3) the City's review of potential market changes that might relate to the City's continuing disclosure requirements and engagement of advisors to help alert the City and its disclosure dissemination agent, DAC, to the same.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but: (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City; (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and (3) any such modification does not materially impair the interest of the Holders or the beneficial owners, as determined by the nationally recognized bond counsel or by the approving vote of the Holders of a majority in principal amount of the 2020 Bonds then Outstanding at the time of the amendment. Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The City's continuing disclosure undertakings under the Continuing Disclosure Agreement will terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2020 Bonds.

So long as required, pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, the City shall file with a South Carolina-based, central repository, if any, for availability in the secondary bond market, an annual independent audit within 30 days of its receipt and event specific information within 30 days of an event adversely affecting more than 5% of revenues of the City or the City's tax base. At present, there is no South Carolina-based, central repository.

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

In March 2014, the SEC announced the Municipalities Continuing Disclosure Cooperation Initiative ("MCDC"), pursuant to which municipal bond underwriters, issuers, and obligated persons were permitted to self-report possible violations involving materially inaccurate statements or omissions relating to prior compliance with the continuing disclosure obligations specified in the Rule. The SEC further announced that, to the extent an issuer meets the requirements of MCDC and the enforcement division of the SEC ("Division") decided to recommend enforcement action against the issuer, the Division would recommend that the SEC accept a settlement from the issuer on favorable settlement terms, including the issuer's undertakings to establish appropriate policies, procedures and training regarding continuing disclosure obligations, comply with existing continuing disclosure undertakings, including updating past delinquent filings, disclose the settlement in future offering documents and cooperate with any subsequent investigations by the Division.

In April 2016, the City executed and submitted to the SEC an Offer of Settlement under MCDC, in which the City neither admitted nor denied the findings but agreed to cease and desist from future violations and proposed settlement terms consistent with those originally announced by the SEC in March 2014. By order dated August 24, 2016 (SEC Release No. 33-10143) ("*Order*"), a copy of which may be obtained from the SEC's website, the SEC accepted the City's Offer of Settlement and ordered the City to cease and desist from committing or causing any future violations of Section 17(a)(2) of the 1933 Act and comply with the following undertakings, which undertakings are consistent with those originally announced by the SEC in March 2014:

(1) within 180 days of the date of the Order, the City will establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations to comply with the federal securities laws, including the designation of an individual or officer at the City responsible for ensuring the City's compliance with such policies and procedures and responsible for implementing and maintaining a record (including attendance) of such training;

(2) within 180 days of the date of the Order, the City will comply with existing continuing disclosure undertakings, including updating past delinquent filings;

(3) the City will disclose in a clear and conspicuous fashion the terms of the settlement described in the Order in any final official statement for an offering by the City within five years of the date of the Order;

(4) the City will certify, in writing, compliance with the undertakings set forth above, including certification no later than the one-year anniversary of the date of the Order and certifications made from time to time upon reasonable requests by the SEC staff for further evidence of compliance; and

(5) the City will cooperate with any subsequent investigation by the Division regarding the false statements and/or material omissions that were the subject of the Order, including the roles of individuals and/or other parties involved.

Consistent with the original announcement of MCDC by the SEC, the City is not subject to any civil or criminal penalty or fine arising from MCDC or the violations that were the subject of the Order. The City has been and remains fully committed to cooperating with the SEC's efforts to ensure continuing disclosure in an appropriate and timely manner in connection with its publicly traded bond issues.

RATINGS

Moody's Investors Service, Inc. ("*Moody's*"), and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*") (each, a "*Rating Agency*," and collectively, "*Rating Agencies*"), have assigned the Bonds their municipal bond ratings of "[]," and "[]," respectively. Such ratings reflect only the views of the applicable Rating Agency and an explanation of the significance of such ratings may be obtained from the respective Rating Agency. The City has furnished to the Rating Agencies certain information and materials respecting the Issuer, the City, and the Bonds. Generally, the Rating Agencies base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them.

There is no assurance that such ratings will remain unchanged for any period of time or that it may not be revised downward or withdrawn entirely by a Rating Agency, if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased for reoffering by [Underwriter] ("*Underwriter*"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at an aggregate price of [] (which reflects an aggregate original issue discount of [] and underwriter's discount of []). The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the offering prices stated on the inside front cover page. The offering prices may be changed from time to time by the Underwriter. The Underwriter is obligated to purchase all of the Bonds if any are purchased.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Inc., has served as financial advisor ("*Financial Advisor*") to the City with respect to the sale of the Bonds. As such, it has participated in the preparation of and review of the various financing documents related to the 2020 Bonds. The Financial Advisor will be paid from the proceeds of the 2020 Bonds.

CERTIFICATION

All quotations from and summaries and explanations of provisions of laws of the State do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Bonds, and determinations of the Issuer or the City relating to the Bonds are qualified in their entirety by reference to the definitive forms of the Bonds and the authorizing ordinances and resolutions and to other documents and determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in this Official Statement and in its Appendices has been obtained from sources other than the Issuer or the City that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Issuer or the City. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the Issuer's or the City's affairs.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Further, certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." These types of statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "forecast," "project" or similar words. Forward-looking statements are included in various portions of this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR.

Reference to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

It is intended that the above information will be of assistance. If there are further inquiries, or requests for additional copies of this Official Statement, please address them to Issuer's Counsel, [], Columbia, South Carolina, telephone: [], email: []; or Bond Counsel, Michael Seezen, Burr & Forman, LLP, 1221 Main Street, Suite 1800, Columbia, South Carolina 29201, telephone: (803) 799-9800, email: <u>mseezen@burr.com</u>.

The delivery of this Official Statement and it use in connection with the sale of the Bonds has been duly authorized by the Issuer and the City. The contents of this Official Statement are the City's responsibility, except that the Issuer is responsible for the statements contained under the caption "THE ISSUER" and other information with respect to the Issuer, if any, appearing under the caption "CERTAIN LEGAL MATTERS - Litigation," and, with the exception of this information for which the Issuer is responsible, the Issuer makes no representation as to the accuracy or completeness of any information.

COLUMBIA FACILITIES CORPORATION

[], President

CITY OF COLUMBIA, SOUTH CAROLINA

Stephen K. Benjamin, Mayor

APPENDIX A

PORTION OF COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2019 APPENDIX B

FORMS OF: I. TRUST AGREEMENT II. PURCHASE AND USE AGREEMENT III. BASE LEASE

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

[], 2020

Columbia Facilities Corporation Columbia, South Carolina

[] []

[\$]* COLUMBIA FACILITIES CORPORATION INSTALLMENT PURCHASE REVENUE BONDS [TAXABLE] SERIES 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Columbia Facilities Corporation, a South Carolina ("State") nonprofit corporation ("Corporation"), of its [\$]* Installment Purchase Revenue Bonds, Taxable Series 2020 ("Bonds").

The Bonds are in fully registered form, dated [], 2020, numbered from R-1 upward, in denominations of \$5,000 or any whole multiple thereof not exceeding the principal amount of the Bonds maturing in each year, bear interest from their date payable thereafter on [] 1 and [] 1 of each year, commencing [] 1, 2021, and mature on [] 1 in each of the years and in the principal amounts as stated in the Official Statement, dated October [], 2020 ("Official Statement").

The Bonds are issued under and pursuant to a Trust Agreement, dated as of [] 1, 2020 ("Trust Agreement"). Each capitalized term used, but not defined in this letter, has the meaning provided for that term in the Trust Agreement. Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, all right, title and interest of the Corporation in and to the Revenues (with certain exceptions), all of the Corporation's right, title and interest in and to the 2020 Facilities (as defined herein) the Installment Purchase and Use Agreement (except certain reserved rights), dated as of [] 1, 2020 ("Purchase and Use Agreement"), between the Corporation and Richland County, South Carolina ("County"), the Base Lease Agreement, dated as of [] 1, 2020 ("Base Lease"), between the Corporation and the City, and the property rights evidenced by the Base Lease in the 2020 Real Property (as defined herein), certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement. The Trust Agreement, the Purchase and Use Agreement, and the Base Lease are, collectively, the "Transaction Documents."

The Corporation is issuing the Bonds for the purpose of providing funds, together with other available funds, to: (i) finance the costs of the City acquiring certain property to serve as business and industrial park to enhance the City's economic development capacity; and (ii) pay the costs of issuing the Bonds.

The obligations of the City under the Purchase and Use Agreement do not constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any constitutional or statutory limitation. The City is not a party to the Trust Agreement or the Bonds.

The Trustee has no obligation or liability under the Bonds or the Trust Agreement for the payment of principal of and interest on the Bonds, except from amounts on deposit with the Trustee for those purposes pursuant to the Trust Agreement.

In connection with the issuance of the Bonds, we have examined a certified copy of the record of proceedings, the Transaction Documents and other proofs submitted to us, including the Constitution and laws of the State. As to questions of fact material to our opinion, we have relied on the record of proceedings, the Transaction Documents and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

In rendering the opinions expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based on the stated examination and assumptions, and subject to the qualifications and limitations set out below, we are of the opinion, under existing law:

1. The proceedings are regular and in due form of law, and the Bonds have been duly authorized, executed and delivered and constitute valid, limited obligations of the Corporation payable solely from, and secured equally and ratably by a pledge of, the Trust Estate.

2. The Base Lease and the Purchase and Use Agreement have each been duly authorized, executed and delivered and each constitute a valid and binding obligation of the City and the Corporation each enforceable according to its terms, provided, however, that the obligation of the City to pay an Installment Payment under the Purchase and Use Agreement is subject to and dependent on the City Council annually budgeting and appropriating moneys to pay each Installment Payment.

3. The Trust Agreement has been duly authorized, executed and delivered by the Corporation and assuming due authorization, execution and delivery by the Trustee, which is proper under the provisions of Article VIII of the Trust Agreement, constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation according to its terms. The Bonds are entitled to the benefits and security of the Trust Agreement for the payment thereof in accordance with the terms of the Trust Agreement. The Trust Agreement creates a valid lien on the Trust Estate.

4. Interest on the Bonds will be taxable as ordinary income for federal income tax purposes.

5. The Bonds and the interest thereon are exempt from all State, county, school district, municipal and all other taxes or assessments of the State, except inheritance, estate, transfer or certain franchise taxes. Furthermore, it should be noted that South Carolina Code Annotated section 12-11-20 imposes on every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

The rights of the registered owner of the Bonds and the enforceability of the Bonds, the Base Lease, the Purchase and Use Agreement, and the Trust Agreement may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, as well as other equitable principles.

We express no opinion regarding the accuracy, adequacy or completeness of the Official Statement. Further, except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

BURR & FORMAN LLP

APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated [Closing Date], 2020, is executed and delivered by the City of Columbia, South Carolina (the "Obligated Person") and Digital Assurance Certification, LLC, as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Obligated Person in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Person through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Obligated Person or anyone on the Obligated Person's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. <u>Definitions</u>. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, LLC, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor disclosure dissemination agent designated in writing by the Obligated Person pursuant to Section 9.

"Disclosure Representative" means the City Administrator or his designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Obligated Person's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means Columbia Facilities Corporation, a South Carolina nonprofit corporation.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Obligated Person, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the 1st day of February following the end of each fiscal year of the Obligated Person, commencing with the fiscal year ending June 30, 2019 (i.e., February 1, 2020). Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

- (e) The Disclosure Dissemination Agent shall:
 - (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Obligated Person pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Rating changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 - 15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
 - 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide

annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. amendment to continuing disclosure undertaking;
 - 2. change in obligated person;
 - 3. notice to investors pursuant to bond documents;
 - 4. certain communications from the Internal Revenue Service, other than those included in the Rule;
 - 5. secondary market purchases;
 - 6. bid for auction rate or other securities;
 - 7. capital or other financing plan;
 - 8. litigation/enforcement action;
 - 9. change of tender agent, remarketing agent, or other on-going party; and
 - 10. other event-based disclosures;
 - 11. <u>State-Mandated Continuing Disclosure</u>. In addition to the requirements set forth in this Section 2(e)(vi) of this Disclosure Agreement, the Issuer further agrees, pursuant to the requirements of S.C. Code Section 1-11-85, to file with the Dissemination Agent (a) its annual independent audit within 30 days of its receipt, and (b) event-specific information within 30 days of an event adversely affecting more than five percent of its revenue or tax base. The Issuer expects that, in meeting the requirements of Section 3 and 4 of this Disclosure Agreement, it also will meet the requirements of this Section 2(e)(vi)(11); however, to the extent that certain information is required to be filed pursuant to State law which is not required to be filed under the Rule or the other provisions of this Disclosure Agreement, the Issuer will provide notice of such information to the Dissemination Agent;
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. quarterly/monthly financial information;
 - 2. change in fiscal year/timing of annual disclosure;
 - 3. change in accounting standard;
 - 4. interim/additional financial information/operating data;
 - 5. budget;
 - 6. investment/debt/financial policy;

- 7. information provided to rating agency, credit/liquidity provider or other third party;
- 8. consultant reports; and
- 9. other financial/operating data;
- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Obligated Person, including the following information:

- (i) Market Value/Assessment Summary of taxable property in the City;
- (ii) Tax levy for the City for current fiscal year;
- (iii) Tax collections for the City for preceding fiscal year;
- (iv) Ten largest taxpayers for the City for preceding fiscal year; and
- (v) Debt service requirements for the next succeeding five years.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information

different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. <u>Reporting of Notice Events</u>.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- 1. Principal and interest payment delinquencies;
- 2. Non-payment related defaults, if material;
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5. Substitution of credit or liquidity providers, or their failure to perform;
- 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- 7. Modifications to rights of Bond holders, if material;
- 8. Bond calls, if material, and tender offers;
- 9. Defeasances;
- 10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
- 11. Rating changes;
- 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- 14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

- 15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. <u>CUSIP Numbers</u>. The Obligated Person will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. <u>Additional Disclosure Obligations</u>. The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to

execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Failure to Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. <u>Termination of Reporting Obligation</u>. The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. <u>Disclosure Dissemination Agent</u>. The Obligated Person has appointed Digital Assurance Certification, LLC, as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

SECTION 10. <u>Remedies in Event of Default</u>. In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent shall have no duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent shall have no fully to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, and there Disclosure Diss

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure

Agreement, the Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Person or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Obligated Person. No such amendment shall become effective if the Obligated Person shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Trustee, if any, for the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. <u>Governing Law</u>. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Obligated Person have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, LLC, as Disclosure Dissemination Agent

By: ___

Name: Diana O'Brien Title: Senior Vice President

CITY OF COLUMBIA, SOUTH CAROLINA, as Obligated Person

By: _____ Name: Stephen K. Benjamin Title: Mayor

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer Obligated Person(s) Name of Issue:	Columbia Facilities Corporation City of Columbia, South Carolina [\$]* Installment Purchase Revenue Bonds Taxable Series 2020
Date of Issuance: Date of Official Statement	[Closing Date], 2020 [Closing Date], 2020
CUSIP Numbers:	

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: Obligated Person: Name of Bond Issue:	Columbia Facilities Corporation City of Columbia, South Carolina [\$]* Installment Purchase Revenue Bonds
	Taxable Series 2020
Date of Issuance:	[Closing Date], 2020
Date of Disclosure Agreement:	[Closing Date], 2020
CUSIP Numbers:	

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, LLC, as Disclosure Dissemination Agent. [The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by____.

Dated:

Disclosure of the Issuer Digital Assurance Certification, LLC, as Dissemination Agent, on behalf

cc:	Issuer
	Obligated
Person	

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule $15c_{2-12}(b)(5)(i)(C)$ and (D).

Issuer's and/or Other Obligated Person's Name: <u>City of Columbia, South Carolina</u>

Issuer's Six-Digit CUSIP Number:_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: _

CUSIP Numbers:

Number of pages attached: _____

Description of Notice Events (Check One):

- 1. ____Principal and interest payment delinquencies
- 2. ____Non-Payment related defaults, if material
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties
- 4. ____Unscheduled draws on credit enhancements reflecting financial difficulties
- 5.____Substitution of credit or liquidity providers, or their failure to perform
- 6.____Adverse tax opinions, IRS notices or events affecting the tax status of the security
- 7.____Modifications to rights of securities holders, if material
- 8.____Bond calls, if material; Tender offers
- 9. Defeasances
- 10.____Release, substitution, or sale of property securing repayment of the securities, if material
- 11. Rating changes
- 12. ____Bankruptcy, insolvency, receivership or similar event of the obligated person
- 13.____Merger, consolidation, or acquisition of the obligated person, if material
- 14.____Appointment of a successor or additional trustee, or the change of name of a trustee, if material
- 15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material
- 16._____Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:_____

Name: ______Title: _____

Digital Assurance Certification, LLC 315 E. Robinson Street, Suite 300 Orlando, FL 32801 407-515-1100

Date: _____

EXHIBIT C-2 VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated [Closing Date], 2020, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: City of Columbia, South Carolina

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

CUSIP Numbers:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

- 1._____amendment to continuing disclosure undertaking
- 2. change in obligated person
- 3. notice to investors pursuant to bond documents
- 4. certain communications from the Internal Revenue Service
- 5. secondary market purchases
- 6. bid for auction rate or other securities
- 7. capital or other financing plan
- 8. litigation/enforcement action
- 9. _____change of tender agent, remarketing agent, or other on-going party
- 10. other event-based disclosures
- 11. State-Mandated continuing disclosure (see 2(e)(vi)11)

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:_____

Name: Title:

Digital Assurance Certification, LLC 315 E. Robinson Street. Suite 300 Orlando, FL 32801 407-515-1100

Date:

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EXHIBIT C-3 VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated [Closing Date], 2020, between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name: Richland County, South Carolina

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

CUSIP Numbers:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1.____quarterly/monthly financial information

2. _____change in fiscal year/timing of annual disclosure

3.____change in accounting standard

4. ____interim/additional financial information/operating data

- 5.___budget
- 6.____investment/debt/financial policy
- 7._____information provided to rating agency, credit/liquidity provider or other third party
- 8. ____consultant reports
- 9.____other financial/operating data

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:_____

Name: ______Title: _____

Digital Assurance Certification, LLC 315 E. Robinson Street, Suite 300 Orlando, FL 32801 407-515-1100

Date: _____

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