This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2026 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

DAC Bond

NEW ISSUE
BOOK-ENTRY ONLY
NON-BANK-QUALIFIED

RATINGS:
Moody's A1 / S&P A+ (stable)
(See "RATINGS" herein)

In the opinion of Pope Flynn, LLC, Bond Counsel to the Issuer, under existing law, assuming continuing compliance by the Issuer with certain covenants and the accuracy of certain representations, interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Such interest is, however, included in the "adjusted financial statement income" of certain corporations that are subject to the corporate alternative minimum tax imposed under Section 55 of the Code. In the opinion of Bond Counsel, the Series 2026 Bonds and the interest thereon are exempt from all State, county, municipal, school district, and other taxes or assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes. See "TAX MATTERS" herein for a description of these and other tax considerations.

$10,670,000*
CAMDEN PUBLIC FACILITIES CORPORATION
Installment Purchase Revenue Bonds
(City of Camden City Hall and Public Safety Projects)
Series 2026

Dated: Date of Delivery **Due: April 1, as shown on inside cover**

The $10,670,000* Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "*Series 2026 Bonds*") are being issued by the Camden Public Facilities Corporation (the "*Issuer*") for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2026 Project (as defined herein), and (ii) to pay costs related to the issuance of the Series 2026 Bonds. See "PLAN OF FINANCE" herein.

The Series 2026 Bonds are payable from and secured solely by the Trust Estate (as defined herein) created under the Trust Agreement to be dated as of May 1, 2026, between the Issuer and U.S. Bank Trust Company, National Association, as trustee. The Trust Estate consists primarily of the Issuer's right, title, and interest in the Revenues (as defined in Appendix C), including without limitation Installment Payments (as defined herein), under the Installment Purchase and Use Agreement to be dated as of May 1, 2026 (the "*Purchase and Use Agreement*") between the Issuer and the City of Camden, South Carolina (the "City") which include (a) Base Payments (as defined herein) payable by the City to the Issuer at times and in amounts calculated to be sufficient to enable the Issuer to pay the principal of and interest on the Series 2026 Bonds when due and payable, and (b) certain other amounts receivable by the Issuer under the Purchase and Use Agreement (subject in each case to certain reserved rights). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds will be issued initially as registered bonds in denominations of $5,000 and integral multiples thereof in the name of Cede & Co., as nominee of The Depository Trust Company ("*DTC*"), which will act as securities depository for the Series 2026 Bonds under a book-entry-only system, as described herein. So long as the Series 2026 Bonds are held in book-entry-only form, beneficial owners of Series 2026 Bonds will not receive physical delivery of bond certificates. Interest on the Series 2026 Bonds is payable semiannually on April 1 and October 1 of each year commencing October 1, 2026, until maturity, and principal of the Series 2026 Bonds is payable on April 1 in the years and amounts set forth on the inside front cover page, by payment to DTC or its nominee as the registered owner of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds are subject to [optional, special optional, and mandatory sinking fund] redemption as set forth herein. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption" herein.

THE FINANCIAL OBLIGATIONS OF THE CITY UNDER THE PURCHASE AND USE AGREEMENT DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY TO WHICH ITS FAITH AND CREDIT OR TAXING POWER ARE PLEDGED, BUT ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS OF FUNDS BEING MADE BY THE CITY COUNCIL OF THE CITY TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT FROM ANY LEGALLY AVAILABLE SOURCE. THE CITY'S OBLIGATIONS UNDER THE PURCHASE AND USE AGREEMENT ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE CITY IN ANY FISCAL YEAR IN WHICH FUNDS ARE NOT APPROPRIATED BY THE CITY COUNCIL TO PAY THE INSTALLMENT PAYMENTS DUE IN SUCH FISCAL YEAR. THE CITY HAS NO CONTINUING OBLIGATION TO APPROPRIATE FUNDS TO PAY INSTALLMENT PAYMENTS DUE UNDER THE PURCHASE AND USE AGREEMENT AND MAY TERMINATE ITS OBLIGATIONS UNDER THE PURCHASE AND USE AGREEMENT ON AN ANNUAL BASIS WITHOUT ANY PENALTY. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" AND "INVESTMENT CONSIDERATIONS" HEREIN.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Issuer and the City deem this Preliminary Official Statement to be final as of its date for purposes of U.S. Securities and Exchange Commission Rule 15c2-12 (the "*Rule*"), except for information which may be omitted pursuant to the Rule.

The Series 2026 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to the delivery of an approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Pope Flynn, LLC is also acting as Disclosure Counsel to the Issuer and the City in connection with the offer and sale of the Series 2026 Bonds. Certain legal matters will be passed on for the City and the Issuer, respectively, by its counsel, Pope Flynn, LLC, Columbia, South Carolina, and for the Underwriter by its counsel, Burr & Forman LLP. First Tryon Advisors, LLC, Charlotte, North Carolina, serves as Municipal Advisor to the City in connection with the issuance of the Series 2026 Bonds. It is expected that the Series 2026 Bonds will be available in definitive form for delivery through the facilities of DTC on or about May 14, 2026, against payment therefor.

RAYMOND JAMES®

This Official Statement is dated:

* Preliminary, subject to change.

$10,670,000[*]
CAMDEN PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS)
SERIES 2026

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES, AND CUSIPS[†]

$5,870,000[*] Series 2026 Serial Bonds

Due April 1	Principal Amount[*]	Interest Rate	Yield	Price	CUSIP[†]
2027	$285,000				
2028	235,000				
2029	250,000				
2030	260,000				
2031	275,000				
2032	285,000				
2033	300,000				
2034	315,000				
2035	330,000				
2036	350,000				
2037	365,000				
2038	385,000				
2039	405,000				
2040	425,000				
2041	445,000				
2042	470,000				
2043	490,000				

$4,800,000[*] Series 2026 Term Bonds

$1,050,000[*] ____% Term Bond due April 1, 2045[*], Yield of _____%, Price _____, CUSIP[†] _____

$1,145,000[*] ____% Term Bond due April 1, 2047[*], Yield of _____%, Price _____, CUSIP[†] _____

$1,245,000[*] ____% Term Bond due April 1, 2049[*], Yield of _____%, Price _____, CUSIP[†] _____

$1,360,000[*] ____% Term Bond due April 1, 2051[*], Yield of _____%, Price _____, CUSIP[†] _____

[*] Preliminary, subject to change.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2026 Bonds and the City, the Issuer and the Underwriter make no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to change after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

REGARDING USE OF THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("*Rule 15c2-12*"), as amended, and in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of the Issuer that has been deemed final by the Issuer and the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2026 Bonds identified on the cover pages hereof. 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 other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer or the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer and the City. Information in this Official Statement has been obtained by the Issuer and the City from sources believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and the City since the date hereof.

Upon execution and delivery, the Series 2026 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange, and no indenture will be qualified with respect to the Series 2026 Bonds under the Trust Indenture Act of 1939, as amended. Neither the United States Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2026 Bonds for sale. Any representation to the contrary is a criminal offense.

Raymond James & Associates, Inc., as underwriter (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.

First Tryon Advisors, LLC (the "*Municipal Advisor*") is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal or other public securities.

U.S. Bank Trust Company, National Association, as Trustee (as defined herein), has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the Series 2026 Bonds, or (iii) the tax-exempt status of the interest on the Series 2026 Bonds.

No quotations or summaries or explanation of provisions of law and documents herein purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of the Series 2026 Bonds. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover pages hereof and the Appendices attached hereto are part of this Official Statement.

The information in "APPENDIX F – Description of Book-Entry-Only System" hereto has been obtained from The Depository Trust Company, and no representation is made by the City as to the completeness or accuracy of such information.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. No hyperlinks are intended to be working hyperlinks and unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12.

Cautionary Statement Regarding Forward-Looking Information

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates, "budgets" and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the City disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or the City's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

CAMDEN PUBLIC FACILITIES CORPORATION
407 E. DeKalb Street
Camden, South Carolina 29020

Board of Directors

Mary Ellen Green, President
Ned Barnes, Secretary
Victoria L. Smith, Treasurer

CITY OF CAMDEN, SOUTH CAROLINA
407 E. DeKalb Street
Camden, South Carolina 29020

City Council

Vincent Sheheen, Mayor
Hamilton Boykin
Phil Elliott
William Wilkes
Delia J. Davis

Administration

Matthew DeWitt, City Manager
Caitlin Young, Assistant City Manager

SPECIAL SERVICES

Bond Counsel, Disclosure Counsel and Counsel to the Issuer and the City

Pope Flynn, LLC
Columbia, South Carolina

Municipal Advisor

First Tryon Advisors, LLC
Charlotte, North Carolina

Underwriter

Raymond James & Associates, Inc.
Atlanta, Georgia

Underwriter's Counsel

Burr & Forman LLP
Greenville, South Carolina

Trustee, Paying Agent and Registrar

U.S. Bank Trust Company, National Association
Atlanta, Georgia

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APPENDIX E – Form of Disclosure Dissemination Agent Agreement
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OFFICIAL STATEMENT

$10,670,000[*]
CAMDEN PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS)
SERIES 2026

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover pages and Appendices hereto, is to furnish certain information in connection with the sale by the Camden Public Facilities Corporation (the "*Issuer*") of its $10,670,000[*] aggregate principal amount Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "*Series 2026 Bonds*"). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth at "FORMS OF CERTAIN FINANCING DOCUMENTS" in Appendix C to this Official Statement.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover pages and Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement.

The Issuer

The Issuer is a nonprofit corporation organized and existing under Title 33, Chapter 31 of the Code of Laws of South Carolina 1976, as amended (the "*South Carolina Code*"). The Issuer is governed by a three-member board of directors (the "*Board of Directors*"). For more information regarding the Issuer, see "THE ISSUER" herein.

The City

The City of Camden, South Carolina (the "*City*"), is a body politic and corporate and a political subdivision of the State of South Carolina. The City is located in Kershaw County, South Carolina (the "*County*"). The City Council of the City of Camden (the "*City Council*") is the governing body of the City. For more information regarding the City, see "THE CITY" herein and "APPENDIX A – DESCRIPTION OF THE CITY OF CAMDEN" hereto.

The Trustee

U.S. Bank Trust Company, National Association will act as trustee, and, as such, as bond registrar, and as paying agent (in such capacities, the "*Trustee*") for the Series 2026 Bonds under the Trust Agreement to be dated as of May 1, 2026, between the Issuer and the Trustee (the "*Trust Agreement*").

[*] Preliminary, subject to change.

Authorization

The Series 2026 Bonds are being issued and secured pursuant to the authority granted by Title 33, Chapter 31 of the South Carolina Code, known as the "*South Carolina Nonprofit Corporation Act of 1994*" and under the provisions of a Bond Resolution of the Issuer, adopted by the Board of Directors on April 21, 2026 (the "*Bond Resolution*").

The City is authorized by Title 5, Chapter 7 of the South Carolina Code to "enact regulations, resolutions, and ordinances, not inconsistent with the Constitution of the State of South Carolina 1895, as amended (the "*State Constitution*") and general law of this State, including the exercise of powers in relation to roads, streets, markets, law enforcement, health, and order in the municipality or respecting any subject which appears to it necessary and proper for the security, general welfare, and convenience of the municipality or for preserving health, peace, order, and good government in it" and to acquire, lease, and otherwise dispose of real property. By Ordinance enacted on April 21, 2026, the City Council approved the issuance by the Issuer of the Series 2026 Bonds and the entry by the City into the Base Lease, the Purchase and Use Agreement, and the Disclosure Dissemination Agreement (each as defined herein), and approved the form of the Trust Agreement.

Purpose

The Series 2026 Bonds are being issued for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2026 Project (as defined herein), and (ii) to pay costs related to the issuance of the Series 2026 Bonds. See "PLAN OF FINANCE" herein.

Summary Terms

The Series 2026 Bonds will be dated and issued on their date of delivery, which is expected to be on or about May 14, 2026 (the "*Delivery Date*"). The Series 2026 Bonds mature as to principal on April 1 in the years and amounts set forth on the inside front cover page of this Official Statement. Interest on the Series 2026 Bonds is payable on each April 1 and October 1 of each year, commencing October 1, 2026, until the Series 2026 Bonds are paid in full. The Series 2026 Bonds are subject to [optional, special optional, and mandatory] redemption prior to maturity. The Series 2026 Bonds are issuable in denominations of $5,000 and any integral multiple thereof.

Security and Sources of Payment

The Series 2026 Bonds are special limited obligations of the Issuer, payable from and secured solely by the Trust Estate (as defined herein) created under the Trust Agreement.

Pursuant to the provisions of a Base Lease Agreement between the City and the Issuer, to be dated as of May 1, 2026 (the "*Base Lease*"), and at the commencement thereof, the City will convey all then existing improvements situated on the 2026 Real Property to the Issuer in connection with the 2026 Project. During the term of the Series 2026 Bonds, the Issuer will lease from the City the 2026 Real Property on which the Facilities (as such term is defined in "PLAN OF FINANCE" below) are or will be located, so that the Issuer may provide for (i) the issuance by the Issuer of the Series 2026 Bonds, and (ii) the development of the 2026 Project.

Pursuant to the Installment Purchase and Use Agreement, to be dated as of May 1, 2026 (the "*Purchase and Use Agreement*") between the Issuer and the City, the City will agree to purchase the Facilities from the Issuer by making the Initial Installment Payment and Base Payments (as such terms are more particularly described herein) which, together with certain other Additional Payments (as such term is more particularly defined herein), comprise the Installment Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein. The Purchase and Use Agreement will obligate the City to make, subject to discretionary appropriation of funds for such purpose by City Council, semiannual Installment Payments to the Issuer which consist of Base Payments constituting the purchase price of an undivided ownership interest in the Facilities, and Additional Payments which constitute other amounts that may be payable under the Purchase and Use Agreement. See "INVESTMENT CONSIDERATIONS" herein. The Installment Payments are in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, and interest on the Series 2026 Bonds, plus such other

amounts, if any, as may be owed by the City to the Issuer from time to time. See "PLAN OF FINANCE" herein and "FORMS OF CERTAIN FINANCING DOCUMENTS" in Appendix C attached hereto.

To secure its obligations with respect to the Series 2026 Bonds, the Issuer will enter into the Trust Agreement, pursuant to which the Issuer will assign to the Trustee, and grant a security interest in (a) all of the Issuer's right, title, and interest in and to the Revenues (as defined in Appendix C hereto), including, without limitation, all Installment Payments, and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement (except for certain amounts and rights reserved to the Issuer (the "*Reserved Rights*," as more particularly defined in Appendix C)), (b) all of the Issuer's right, title and interest in and to the Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2026 Real Property (including its right, title and interest in and to (1) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the 2026 Real Property, and from and in connection with the Issuer's ownership of the Facilities, and (2) all leases of all or part of the Facilities or the 2026 Real Property, any guarantees of lessees' obligations thereof and any contracts, agreements, licenses and permits affecting the Facilities, the 2026 Real Property or any part thereof), (c) all of the Issuer's rights with respect to any insurance or condemnation proceeds with respect to the Facilities, the 2026 Real Property or any portion thereof and the proceeds of any other collateral granted under the Trust Agreement or assigned thereby as security for the Series 2026 Bonds, and (d) all moneys and investments held in the funds and accounts created under the Trust Agreement, except funds and accounts created for the payment of arbitrage rebate and all income thereon (collectively, the "*Trust Estate*").

The Series 2026 Bonds will be equally and ratably secured on a parity basis with any additional revenue bonds of the Issuer hereafter issued, except as to the subaccounts held within the Acquisition Account as defined in the Trust Agreement and the Reserve Account, which will only secure the series of Bonds (as defined herein) for which they were created. No subaccount shall be established within the Reserve Account of the Bond Fund for the Series 2026 Bonds and no Reserve Requirement shall be required with respect to the issuance of the Series 2026 Bonds.

The Series 2026 Bonds and any additional revenue bonds of the Issuer hereafter issued on a parity basis with the Series 2026 Bonds are collectively referred to as the "*Bonds*" in this Official Statement.

Payment Sources

The City expects that it will make payments required under the Purchase and Use Agreement from one or more of several sources, including (a) general fund moneys, to include *ad valorem* taxes and monies transferred to the general fund from the City's combined water, sewer, and electric utility fund (the "*Utility Fund*"), (b) Local Options Sales Tax (as defined below) revenues, and (c) any other available source of revenues (collectively, the "*Identified Sources*"). The revenue sources included within Identified Sources are not exclusive, and the City may choose to apply other lawfully available revenues not included in Identified Sources to the payment of Installment Payments (when lawfully appropriated by the City Council, the Identified Sources and other lawfully available revenues are collectively referred to as the "*Available Sources*").

It is the City's present intention to make the Installment Payments from any Available Source. In addition to the Identified Sources, the City may issue its general obligation debt, either in the form of general obligation bonds or bond anticipation notes, from time to time, to provide funds (together with other Available Sources) to make Installment Payments when due under the Purchase and Use Agreement. The City is authorized by the State Constitution to incur general obligation debt without voter approval in an amount not exceeding 8% of the assessed value of all taxable property of the City. The City will be required to levy an *ad valorem* tax to pay debt service on the general obligation bonds to the extent sufficient amounts from other sources are not timely deposited to the sinking fund therefor.

The financial obligations of the City and the Issuer under the Purchase and Use Agreement and Trust Agreement do not constitute general obligations of the City to which its faith and credit or taxing power are pledged, but are payable solely from such funds as may be appropriated in the discretion of City Council for such purpose.

The City has indicated in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the City does not create a contractual obligation on its part. The City has made no representation or warranty as to its ability to issue general obligation debt in the future, and is not obligated to sustain its available general obligation debt capacity in an amount sufficient to make Base Payments.

The City's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the City in any Fiscal Year (as defined herein) in which funds are not appropriated by the City to pay the Installment Payments due in such Fiscal Year. The City has no continuing obligation to appropriate funds to pay Installment Payments due under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without any penalty. See "INVESTMENT CONSIDERATIONS" herein.

Tax Matters

In the opinion of Pope Flynn, LLC, Bond Counsel, under existing law, assuming continuing compliance by the Issuer and the City with certain covenants and the accuracy of certain representations, interest on the Series 2026 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, the Series 2026 Bonds and the interest thereon are exempt from all State of South Carolina ("*State*"), county, municipal, school district and other taxes or assessments imposed within the State, except estate, transfer, and certain franchise taxes. See "TAX MATTERS" herein for a description of these and other tax considerations.

Professionals Involved in the Offering

Certain legal matters pertaining to the Issuer and its authorization and issuance of the Series 2026 Bonds are subject to the approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2026 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix D. Pope Flynn, LLC is also acting as Disclosure Counsel to the Issuer and the City in connection with the offer and sale of the Series 2026 Bonds. Certain legal matters will be passed on by Pope Flynn, LLC, Columbia, South Carolina, counsel to the City and the Issuer, respectively, and for the Underwriter by its counsel, Burr & Forman LLP, Greenville, South Carolina. First Tryon Advisors, LLC, Charlotte, North Carolina, serves as municipal advisor (the "*Municipal Advisor*") to the City in connection with the issuance of the Series 2026 Bonds. The audited financial statements of the City as of June 30, 2025, and for the year then ended, attached hereto as Appendix B, have been audited by Cantey, Tiller, Pierce & Green, LLP, Camden, South Carolina, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix B hereto. See "FINANCIAL STATEMENTS" herein.

Offering and Delivery

The Series 2026 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2026 Bonds in definitive form are expected to be delivered to The Depository Trust Company ("*DTC*") on or about May 14, 2026. The Series 2026 Bonds will be initially issued in book-entry only form through the facilities of DTC. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2026 Bonds, payments of the principal of and interest on the Series 2026 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry System" herein and "APPENDIX F – Description of Book-Entry-Only System" hereto for more detailed information regarding the book-entry system.

Continuing Disclosure

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2026 Bonds, and the Issuer will not provide any such information. The City has undertaken all responsibilities for any continuing disclosure to beneficial owners of the Series 2026 Bonds as described below, and the Issuer will have no liability to the beneficial owners of the Series 2026 Bonds or any other person with respect to such disclosures.

The City will covenant in the Purchase and Use Agreement to execute and deliver prior to closing, and to thereafter comply with the terms of, a Disclosure Dissemination Agent Agreement to be dated and effective as of the issuance of the Series 2026 Bonds (the "*Disclosure Dissemination Agreement*") between the City and Digital Assurance Certification, L.L.C. ("*DAC*") in substantially the form attached hereto as Appendix E. See "CONTINUING DISCLOSURE" herein and Appendix E hereto for additional information.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "budgets," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the City each disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the City's or the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

The Series 2026 Bonds and their underlying obligations have not been registered under the Securities Act of 1933, as amended, and the Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained in such Acts.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the City, or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the City, or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer or the City. The information set forth herein has been obtained by the Issuer and the City from sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter. The Issuer has not provided information regarding the City and does not certify as to the accuracy or sufficiency of the disclosure practices of or content of the information provided by the City and is not responsible for the information provided by the City. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, the City, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

PLAN OF FINANCE

The Series 2026 Bonds are being issued for the purpose of providing funds, together with other amounts, (i) to defray the cost of the 2026 Project, and (ii) to pay costs related to the issuance of the Series 2026 Bonds.

The 2026 Project encompasses the construction and equipping of the City Hall Facility and the Public Safety Complex (as all such terms are defined below) on the 2026 Real Property (collectively, the "*2026 Project*"). The estimated total cost of the 2026 Project is $15,100,000; $10,600,000 from the proceeds of the Series 2026 Bonds, $2,500,000 from the Costs Advanced (as defined in the Purchase and Use Agreement), and $2,000,000 from an Initial Installment Payment from the City at closing.

City Hall Facility. The City recently acquired the former main bank building of First Palmetto Bank for use as its new City Hall complex (the "*City Hall Facility*"). The $2,500,000 in Costs Advanced represents the City's existing investment in the acquisition of the First Palmetto Bank Building. Proceeds of the Series 2026 Bonds and other sources in the total estimated amount of $2,000,000 will be applied to defray such costs of rehabilitating and equipping the bank facility into a new centralized municipal complex for a variety of municipal services. Upon completion, the City Hall Facility will house the following City departments and functions: Administrative offices, Human Resources, Planning, Zoning and Development, Finance, Tourism, Events, Utility Billing, and City Council Chambers.

Public Safety Complex. The City plans to develop a coordinated public safety facility (the "*Public Safety Complex*") consisting of improvements facilities house to both its fire and police operations. The City's existing fire station, which is physically integrated with the existing City Hall and was constructed in 1954, will remain in its current location and will be expanded and upgraded at a total estimated cost of $3,000,000, to be funded in part from the proceeds of the Series 2026 Bonds and other sources. Upon completion, the fire station component of the Public Safety Complex will include an expanded fire bay to accommodate a ladder truck, along with related facility improvements. In addition, the City's existing City Hall facility, a three-story building totaling approximately 11,529 square feet, will be upgraded and improved to serve as the police component of the Public Safety Complex, at a total estimated cost of $7,600,000 from the proceeds of the Series 2026 Bonds and other sources. Upon completion, this facility will house the Police Department's administrative, patrol, investigative, and training divisions, with the third floor continuing to serve as the municipal court.

The City Hall Facility and the Public Safety Complex, along with all personal property located therein that is financed with proceeds of the Series 2026 Bonds, constitute the "*Facilities*." The Facilities will be initially owned by the Issuer, and thereafter purchased and used by the City under and pursuant to the provisions of the Purchase and Use Agreement.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2026 Bonds are estimated below.

Estimated Sources of Funds:	
Par Amount of Series 2026 Bonds	$
[Net] Original Issue [Premium / Discount]	
Initial Installment Payment[1]	2,000,000
Total Sources:	$
Estimated Uses of Funds:	
Deposit to Project Fund	
Costs of Issuance[2]	
Total Uses:	$

[1] The Initial Installment Payment will be deposited by the City in the Project Fund at closing.
[2] Includes various professional fees, underwriter's discount, and miscellaneous costs.

THE ISSUER

The Issuer is a South Carolina nonprofit, public benefit corporation incorporated on March 5, 2026. The Issuer is governed by the Board of Directors. The officers of the Issuer are Mary Ellen Green, President; Ned Barnes, Secretary; and Victoria L. Smith, Treasurer. Mrs. Green, Mr. Barnes, and Mrs. Smith are the present directors of the Issuer. Each director has one vote.

The Issuer will have a leasehold interest in the 2026 Real Property and fee ownership in the Facilities, as more fully provided in the Base Lease and the Purchase and Use Agreement, and has no taxing authority and no net worth. The Issuer is established as a single-purpose corporate entity which is restricted by its articles of incorporation from engaging in any business other than to own and lease facilities to be used for governmental functions in connection with the financing of such facilities. The Articles of Incorporation and Bylaws of the Issuer provide that the Issuer has been organized exclusively for public and charitable purposes.

The Issuer has no operating history, does not now have, nor will it have in the future, assets other than its leasehold interest in the 2026 Real Property and its fee interest in the Facilities.

The Articles of Incorporation of the Issuer provide that, upon the dissolution of the Issuer, the remaining assets of the Issuer will be distributed to one or more governmental entities or exempt organizations described in Section 501(c)(3) of the Code.

The directors of the Issuer approved the issuance of the Series 2026 Bonds and entry into the Base Lease, Purchase and Use Agreement, and Trust Agreement by the Bond Resolution.

THE CITY

See Appendix A for financial, statistical, and demographic information with respect to the City. Also included in Appendix A are certain information and data pertaining to the City and the County. See Appendix B for the audited financial statements of the City for the fiscal year ended June 30, 2025 (a "*Fiscal Year*"; references to a Fiscal Year followed by a year (e.g. "*Fiscal Year 2025*"), shall mean the Fiscal Year of the City ended June 30 of the year stated).

DESCRIPTION OF THE SERIES 2026 BONDS

The Series 2026 Bonds will be dated the Delivery Date and will bear interest at the rates listed in the inside front cover page of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2026 Bonds shall be payable initially on October 1, 2026, and semiannually thereafter on April 1 and October 1 of each year (each a "*Bond Payment Date*") and principal on the Series 2026 Bonds shall be payable on April 1 in the years and amounts set forth on the inside front cover page of this Official Statement, unless earlier redeemed (see "– Redemption" below). Interest on the Series 2026 Bonds will be paid to the registered owners thereof as of the fifteenth day (whether or not a business day) of the calendar month next preceding a Bond Payment Date (each a "*Record Date*").

The Series 2026 Bonds will bear interest from the later of the Delivery Date or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event each such Series 2026 Bond will bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from the Delivery Date.

The Series 2026 Bonds are issuable only as fully registered obligations in denominations of $5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the Series 2026 Bonds will be made in book-entry form, and purchasers will not receive certificates representing interests in the Series 2026 Bonds so purchased. If the book-entry system is discontinued, Series 2026 Bonds will be delivered as described in the Trust Agreement, and Beneficial Owners (hereinafter defined) will become the registered owners of the Series 2026 Bonds. See "– Book-Entry System" herein.

Redemption

The Series 2026 Bonds are subject to [optional, special optional, and mandatory sinking fund] redemption prior to maturity as provided below.

Optional Redemption. At the option of the City, the Series 2026 Bonds maturing after April 1, 20[__], are subject to redemption in whole or in part on or after April 1, 20[__], at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date of redemption.

Special Optional Redemption. The Series 2026 Bonds are subject to special optional redemption, in whole or in part on any date (as selected by the Trustee at the direction of the Issuer), as described in this Official Statement, in the event the City elects to prepay Base Payments pursuant to the provisions of the Purchase and Use Agreement relating to damage, destruction, condemnation, or a defect in title relating to all or a portion of the Facilities.

Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on April 1, 20__ (the "*20__ Term Bonds*"), shall be subject to mandatory sinking fund redemption commencing April 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on April 1, of each of the following years in the respective principal amounts for each year specified below:

Year	Amount
	$ *

* Final Maturity

Any mandatory sinking fund redemption is subject to the provision that any partial redemption of Series 2026 Bonds described under "– *Optional Redemption*" above shall reduce the mandatory scheduled redemption requirements as described in this paragraph. In the event of a partial redemption of Series 2026 Bonds under "– *Optional Redemption*" above, the Trustee shall allocate the principal amount of Series 2026 Bonds redeemed against the next Series 2026 Bonds to be redeemed as described in this paragraph or otherwise as directed by a representative of the Issuer in writing at least 45 days prior to the date with respect to which any such credit is to be allocated.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for Series 2026 Bonds, the Issuer may deliver to the Trustee for cancellation Series 2026 Bonds of the maturity in any aggregate principal amount which have been purchased by the Issuer in the open market. Each Series 2026 Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Series 2026 Bonds on such mandatory sinking fund redemption date and any excess of such amount shall be credited against future mandatory scheduled redemption requirements in chronological order or such other order as directed in writing by the Issuer to the Trustee. The Issuer, will, on or before the 45th day preceding each mandatory sinking fund redemption date, furnish the Trustee with a certificate, signed by a representative of the Issuer, stating the extent to which the provisions of the first sentence of this paragraph are to be availed of with respect to such mandatory redemption requirements for such mandatory redemption date. Unless such certificate is so timely furnished to the Trustee, the mandatory redemption requirements for such mandatory redemption date shall not be reduced.

Notice of Redemption of Series 2026 Bonds

Notice of redemption of the Series 2026 Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the holders, or in the alternative, the notice given by the Trustee to the holders expressly states that such redemption is conditioned upon the deposit of funds sufficient for the redemption by the Issuer and that failing such deposit no redemption shall take place. The notice of the call for redemption of Series 2026 Bonds shall identify (i) the CUSIP number or numbers, if any, of the Series 2026 Bonds to be redeemed; (ii) the numbers assigned to such Series 2026 Bonds, and in the case of Series 2026 Bonds called in part only, the amounts being redeemed; (iii) the date of the notice; (iv) the redemption date; (v)

the redemption price; (vi) the address of the Trustee where such Series 2026 Bonds are to be presented, with the name and telephone number of a contact person, if available; (vii) the issue date of the Series 2026 Bonds; and (viii) the maturity date of the Series 2026 Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the holder of each Series 2026 Bond subject to redemption at the holder's address shown on the Register (as defined in Appendix C) on the 15th date preceding that mailing.

The Series 2026 Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in the notice described in the preceding paragraph, and shall be paid at the redemption price plus interest accrued to the redemption date; provided, however, that in the event of any conditional provision in the notice, the Series 2026 Bonds will not become due and payable until such condition has been satisfied.

If money for the redemption of all of the Series 2026 Bonds to be redeemed is held by the Trustee on the redemption date so as to be available therefor on that date, and if notice of redemption has been given as provided above, then from and after the redemption date those Series 2026 Bonds called for redemption shall no longer be entitled to payment of any sum other than the redemption price.

In the event Series 2026 Bonds which have been called for redemption are not presented to the Trustee for redemption on or prior to the 30th day following the redemption date, the Trustee shall notify the registered Holder thereof by facsimile or by certified or registered mail, return receipt requested, that such Series 2026 Bonds have been called and that the Trustee is holding funds for the payment of the redemption price thereof pending presentation by such Holder.

If less than all of the Series 2026 Bonds are called for redemption, the Series 2026 Bonds to be redeemed will be selected in the manner that the Issuer shall determine as set forth in a certificate of the Issuer filed with the Trustee. If less than all Series 2026 Bonds of any one maturity are called for redemption, the Trustee shall select the Series 2026 Bonds to be redeemed by lot, each $5,000 portion of the principal being counted as one Series 2026 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2026 Bond is Cede & Co., such selection shall be made by DTC, as described herein under the heading "– Book-Entry System."

Book-Entry System

The Series 2026 Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC, which will initially act as securities depository for the Series 2026 Bonds. One fully registered Series 2026 Bond certificate for each maturity of Series 2026 Bonds will be issued and deposited with DTC. Purchases of beneficial interests in such Series 2026 Bonds will be made in book-entry-only form. Purchasers will not receive certificates representing the ownership interest in the Series 2026 Bonds purchased by them. See "APPENDIX F – Description of Book-Entry-Only System" hereto.

Discontinuation of Book-Entry System

In the event that the Issuer determines that it is in the best interest of the Issuer not to continue the book-entry system or that the interest of the beneficial owners of the Series 2026 Bonds may be adversely affected if the book-entry system is continued, then the Issuer shall notify the Securities Depository and the Trustee of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2026 Bonds. In such event, the Issuer shall execute and the Trustee shall authenticate, register and deliver physical Series 2026 Bonds as requested by the Securities Depository or any Participant or Beneficial Owner of Series 2026 Bonds in appropriate authorized denominations in exchange for the Series 2026 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 2026 Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Issuer may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Issuer shall either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2026 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 2026 Bonds

or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the U.S. Securities and Exchange Commission.

Defeasance

When the principal of and interest on any of the Series 2026 Bonds has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable under the Trust Agreement by the Issuer and the City, the right, title and interest of the Trustee with respect to such Series 2026 Bonds shall thereupon cease and the Trustee shall release the Trust Agreement and shall execute such documents to evidence such releases as may be reasonably required by the Issuer and shall turn over to the Issuer or to such person, body or authority as may be entitled to receive the same all balances then held by it thereunder. Provision for the payment of the Series 2026 Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, (i) cash in an amount sufficient to make all payments specified above with respect to all of such Series 2026 Bonds, (ii) Defeasance Obligations (as defined in Appendix C) maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all payments specified above with respect to such Series 2026 Bonds, or (iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Series 2026 Bonds; provided that, to the extent such deposit does not consist of cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements of this paragraph.

Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Series 2026 Bonds more than 60 days prior to the date that such Series 2026 Bonds are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Series 2026 Bonds for the payment of which such moneys or obligations are being held, to the Holders of such Series 2026 Bonds.

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ANNUAL DEBT SERVICE REQUIREMENTS

The annual debt service requirements of the Series 2026 Bonds are as follows:

Fiscal Year	Principal*	Interest	Total Debt Service
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
Totals			

* Preliminary, subject to change.

[*Remainder of Page Intentionally Blank*]

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

Limited Obligations

The Series 2026 Bonds are special limited obligations of the Issuer payable solely from the Trust Estate pledged under the Trust Agreement. The Series 2026 Bonds are not payable from and are not secured by a lien, security interest, or encumbrance upon any other funds or assets of the Issuer.

The Series 2026 Bonds shall not constitute a general obligation of the City nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit or taxing power of, the City or the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the State, the City, or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2026 Bonds or other costs incident thereto. The Issuer has no taxing power.

Sources of Installment Payments

The City presently expects to make the Installment Payments from any Available Source. Available Sources, as defined in the Purchase and Use Agreement, are any legally available funds lawfully appropriated by the City Council, and which may include, but are not limited to, proceeds of general obligation debt, enterprise fund transfers, revenues from local option sales taxes, general fund monies, or Additional Bonds (to refund any of the Series 2026 Bonds).

As more fully set forth in the Purchase and Use Agreement, the term "*Installment Payments*" includes Base Payments and Additional Payments. The term "*Base Payments*" means the amounts payable by the City under the Purchase and Use Agreement sufficient in amount and time to enable the Issuer to pay the Series 2026 Bonds, including principal and interest. The term "*Additional Payments*" means the cost of insurance, administrative expenses, and other costs payable by the City with respect to the Facilities pursuant to the Purchase and Use Agreement. The City represents in the Purchase and Use Agreement that it has no reason to believe, as of the Delivery Date, that it will not continue making Installment Payments through the entire term of the Purchase and Use Agreement, and reasonably believes that it will pay the Installment Payments due or coming due under the Purchase and Use Agreement in order to continue to use the Facilities.

The City has indicated in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the City does not create a contractual obligation on its part. The City has made no representation or warranty as to its ability to issue general obligation debt in the future, and is not obligated to maintain debt capacity in order to make Base Payments. No assurance may be given as to the City's ability or future intent to issue general obligation debt for such purposes, or to make such payments or maintain its capacity from Available Sources to do so in the future. See "– Purchase and Use Agreement" and "INVESTMENT CONSIDERATIONS" herein and "FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement" in Appendix C hereto. The representations and covenants contained in the Purchase and Use Agreement are subject to the right of the City to terminate the Purchase and Use Agreement and all obligations thereunder, all as provided therein. One Available Source for making Installment Payments is the City's operating budget. The City's ability to raise its operating millage rate in any given year is limited by State law. See "PROPERTY ASSESSMENT AND TAXATION – Property Taxation" in Appendix A hereto.

General Obligation Debt

The City is authorized pursuant to Article X, Section 14 of the State Constitution to issue, without first obtaining approval by referendum, and have outstanding at any time, general obligation debt in an aggregate principal amount of 8% of the assessed value of all taxable property within the City. Based on the 2024 assessed value of all taxable property within the City, the City's present debt limit is $4,502,847. The City presently has $3,250,000 in general obligation debt outstanding. See "DEBT STRUCTURE – Outstanding General Obligation Bonds" in Appendix A hereto.

The issuance by the City of general obligation debt to provide funds to pay Installment Payments under the Purchase and Use Agreement will be subject to the discretion of City Council and depend upon, 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 the City intends to maintain its capacity to issue general obligation debt that does not require voter approval, together with other Available Sources, sufficient to make Installment 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. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein and "CERTAIN FISCAL MATTERS" in Appendix A hereto.

Section 5-17-20 of the South Carolina Code ("*Section 5-17-20*"), provides that within 60 days after the enactment by the City Council of any ordinance authorizing the issuance of general obligation bonds of the City, a petition signed by the registered voters residing in the City equal in number to at least 15% of the registered voters at the last preceding regular City election may be filed with the City Clerk requesting that any such ordinance be repealed. If the City Council fails to repeal the ordinance, the City is required to put the question of the repeal of the ordinance to referendum not less than 30 days nor more than one year from the date the City Council takes its final vote thereon. The City Council may, in its discretion, and if no regular election is to be held within such period, provide for a special election. In the event a petition as described in this paragraph is timely filed, the City Council may repeal the ordinance in question, and proceed to adopt a new, identical ordinance. The new ordinance would itself be subject to Section 5-17-20.

Utility Fund Transfers

The City, in its discretion, may appropriate funds for Installment Payments from monies transferred from its Utility Fund to the general fund. Interfund transfers are approved and authorized under the terms of the Financial Policies (as defined in Appendix A) see "CERTAIN FISCAL MATTERS – City Revenue Sources" in Appendix A hereto. The Financial Policies were recently amended by the City and based on such amendments, it is anticipated that the amount of the interfund transfer is anticipated to increase in Fiscal Year 2027 and beyond. Also see "CERTAIN FISCAL MATTERS – Summary of Revenues and Expenses", and "– Historical Coverage" in Appendix A.

Local Option Sales Tax

Since May 1, 1997, the County imposed a 1% general sales and use tax on all retail sales (with limited exceptions) taxable under the State sales and use tax (the "*Local Option Sales Tax*"). This Local Option Sales Tax is imposed pursuant to Title 4, Chapter 10, Article 1 of the South Carolina Code. The City has not, however, pledged or otherwise encumbered Local Option Sales Tax funds to secure the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein and "CERTAIN FISCAL MATTERS – City Operating Revenues" and "PROPERTY ASSESSMENT AND TAXATION – Sales Tax Referenda" in Appendix A hereto.

General Fund Monies

The City, in its discretion, may appropriate funds for Installment Payments from general fund monies. These funds are derived from a variety of sources see "CERTAIN FISCAL MATTERS – City Revenue Sources" in Appendix A hereto.

Purchase and Use Agreement

Pursuant to the Purchase and Use Agreement, the City will agree, subject to the discretionary appropriation by City Council of funds for such purpose, to pay Installment Payments to the Issuer, including Base Payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of and interest on the Series 2026 Bonds, as and when the same shall become due and payable. See "FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement" in Appendix C hereto.

The financial obligations of the City under the Purchase and Use Agreement do not constitute general obligations of the City to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by the City Council of the City to pay the Installment Payments due in each Fiscal Year under the Purchase and Use Agreement. The City's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation of the City in any Fiscal Year in which funds are not appropriated by the City to pay the Installment Payments due in such Fiscal Year. The City has no continuing obligation to appropriate funds to pay Installment Payments due under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty.

Event of Nonappropriation

The City may exercise its option to terminate its obligations under the Purchase and Use Agreement by way of an Event of Nonappropriation (as defined below); however, pursuant to the Purchase and Use Agreement, the officer of the City charged with the responsibility for formulating budget proposals shall include in the budget proposals for a Fiscal Year for consideration by the City Council sufficient amounts for the City to make the Installment Payments for such Fiscal Year. An "*Event of Nonappropriation*" is defined in the Purchase and Use Agreement as (i) the failure by the City, for any reason, to specifically budget and appropriate moneys for a Fiscal Year that may be lawfully used to pay amounts due hereunder for such Fiscal Year, or (ii) the provision by a representative of the City of written notice to the Issuer and the Trustee of the City's intention to not appropriate funds that may be lawfully used to pay amounts due under the Purchase and Use Agreement for a Fiscal Year. An Event of Nonappropriation will be deemed to occur on the earlier of the date on which the City gives notice to the Issuer and the Trustee under clause (ii) above or the July 15 following the commencement of a Fiscal Year in which a budget has been adopted which fails to appropriate amounts due under the Purchase and Use Agreement for such Fiscal Year; provided, however, that an Event of Nonappropriation may be waived as provided for in the Trust Agreement. Notwithstanding the foregoing, an Event of Nonappropriation shall be deemed not to have occurred if the City adopts an ordinance prior to June 1 of any Fiscal Year authorizing the issuance of bonds, notes or other obligations for the purpose of paying all Installment Payments due in the succeeding Fiscal Year, notice of which is delivered timely to the Trustee. The Purchase and Use Agreement further provides for a "Waiver Period" commencing on the date an Event of Nonappropriation is deemed to occur and ending and including the date that is the 15th day prior to the first Bond Payment Date occurring in the Fiscal Year in which such Event of Nonappropriation occurs. See "FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement" in Appendix C hereto.

If written notice is given by a representative of the City to the Issuer and the Trustee that it will not appropriate funds from any Available Sources in the next succeeding Fiscal Year for payment of Installment Payments or if an Event of Nonappropriation is otherwise deemed to have occurred, the Trustee shall, as soon as practicable, give written notice to the City and the Issuer stating that an Event of Nonappropriation has occurred. Subject to the Events of Default provisions of the Purchase and Use Agreement and the provisions of the following two paragraphs, the Purchase and Use Agreement will be terminated upon the occurrence of an Event of Nonappropriation.

Subject to the Events of Default provisions of the Purchase and Use Agreement and the provisions of the following paragraph, the Trustee shall waive any Event of Nonappropriation if (i) such Event of Nonappropriation is cured by the City before the Waiver Period has expired, or (ii) the Trustee, acting upon the direction of the holders of the majority in aggregate principal amount of the Outstanding Series 2026 Bonds, elects to waive such Event of Nonappropriation for any reason.

Subject to the Events of Default provisions of the Purchase and Use Agreement and notwithstanding the provisions of the preceding paragraph, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (i) of the definition thereof) which is cured by (i) the City specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Installment Payments coming due under the Purchase and Use Agreement for such Fiscal Year that may be lawfully used to make such payment, or (ii) the issuance of bonds, notes or other obligations prior to the expiration of the Waiver Period, and the appropriation of the proceeds thereof, for the purpose of, and providing sufficient funds for, refunding, refinancing, and discharging all outstanding Series 2026 Bonds.

If an Event of Nonappropriation occurs and is not waived, the City shall not be deemed to be in default under the Purchase and Use Agreement and shall not be obligated to make payment of any future Installment Payments due under the Purchase and Use Agreement or any other payments provided for therein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation.

The City, in all events, shall cooperate with the Issuer and the Trustee in making the partition required under the Purchase and Use Agreement and shall vacate and deliver the Facilities over to the Trustee no later than 60 days after the partition report becomes final in accordance with the Purchase and Use Agreement.

Conveyance of Property Interest

Under the terms of the Purchase and Use Agreement, upon each payment or prepayment of Base Payments, an undivided interest in the Facilities, equal to that percentage of the "Purchase Price" (defined to mean the sum of all Base Payments, which equals the total principal and interest payable on the Series 2026 Bonds) represented by such payment or prepayment, and after taking into account the Costs Advanced and Initial Installment Payment, 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 2026 Real Property and the Facilities during the applicable Fiscal Year in which such Base Payments are made.

The Purchase and Use Agreement provides that upon its termination, either by reason of Event of Default (as defined herein) or Event of Nonappropriation, at the written direction of the Trustee, the Facilities will be partitioned between the Issuer and the City based upon their respective percentages of undivided interests in the Facilities. The date upon which the Trustee gives the aforementioned written direction shall be the "*Partition Date*." The value assigned to particular components of the Facilities in any partition will be based on the insured values (at the time of partition) and percentages set forth in the Purchase and Use Agreement (which percentage shall also account for the Costs Advanced and the Initial Installment Payment), without regard to the cost or market value thereof.

Within a reasonable time after the Partition Date (but in no event longer than 60 days after the Partition Date), the City and the Issuer shall propose a division of Facilities or, in the event the City and the Issuer notify the Trustee in writing that they are unable to agree on a proposed division or they have not proposed a division of the Facilities within the time period provided by the previous sentence, the Trustee and the Partition Consultant, if selected, shall propose a division of the Facilities within a reasonable time after the Partition Date. In all events, the Trustee may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee in the division of the Facilities. The Trustee and the Partition Consultant, if selected, shall endeavor, to the extent practicable, to allocate the Facilities between the 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 (2) if portions of the Facilities and Facilities Components will be assigned to each of the Issuer and the City, the Trustee and the Partition Consultant, if selected, shall propose such partition as will, in the aggregate, best protect the interests of the Holders; and (3) the deletion, reduction or release (without exchange or substitution) of any Released Property pursuant to the Purchase and Use Agreement or the Base Lease shall be taken into account for purposes of determining the portions of the Facilities to be allocated between the Issuer and the City.

The expected insured values of the respective Facilities Components are as follows:

Facilities Component	Value
City Hall Facility	$ 4,500,000
Public Safety Complex	10,600,000
Total	$15,100,000

The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the Facilities partitioned to the Issuer during the term of the Base Lease and obligates the Issuer to release from the Base Lease the components of the Facilities partitioned to the City. See "FORMS OF CERTAIN FINANCING DOCUMENTS – The Purchase and Use Agreement" in Appendix C hereto.

Events of Default

The following constitute "*Events of Default*" under the Purchase and Use Agreement:

(a) failure by the City to make Base Payments within five days after the same is due (provided, however, that a failure to make payment by reason of an Event of Nonappropriation shall not result in an Event of Default under this provision);

(b) failure by the City to timely comply with the provisions of the Purchase and Use Agreement relating to partition and vacating of Facilities at the times required;

(c) failure by the City to make any Additional Payments required under the Purchase and Use Agreement or under the provisions of the Base Lease within ten days after the same is due, except by reason of an Event of Nonappropriation;

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

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

(f) the failure by the City to promptly stay or lift any execution, garnishment or attachment of such consequence as will, in the reasonable judgment of the Trustee, materially impair its ability to carry out its obligations under the Purchase and Use Agreement (provided that the 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 as bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code.

Notwithstanding the foregoing, if by reason of Force Majeure (as defined in the Purchase and Use Agreement), the City shall be unable in whole or in part to carry out any obligation under the Purchase and Use Agreement, other than the obligations on the part of the City with respect to payment of Installment Payments and insuring of the Facilities, 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.

Trust Agreement

As security for its obligations under the Series 2026 Bonds, the Issuer will assign to the Trustee, and grant a security interest in, the Trust Estate. See "FORMS OF CERTAIN FINANCING DOCUMENTS – The Trust Agreement" in Appendix C hereto.

Under the Base Lease, the Issuer cannot and will not mortgage the 2026 Real Property or the Facilities or grant any lien on or security interest therein to secure the Series 2026 Bonds. In the event the Purchase and Use Agreement is terminated prior to the payment in full of the Series 2026 Bonds, the Series 2026 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing, until the expiration of the Base Lease (May 1, 2061), of the Facilities that remain with the Issuer after the partitioning is

accomplished that is described herein under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Purchase and Use Agreement."

Under certain circumstances, the Trust Agreement permits the Issuer, for specified purposes, to issue Additional Bonds, which will be equally and ratably secured on a parity basis with the Series 2026 Bonds under the Trust Agreement. Prior to the delivery of any Additional Bonds, the Trust Agreement requires the delivery to the Trustee of (i) a supplement to the Trust Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) an amendment or supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, making any changes required to make Additional Real Property subject thereto and supplementing Exhibits B and E thereto to provide for the Additional Facilities; (iii) an amendment or supplement to the Base Lease extending the term thereof by at least the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto; and (iv) a Favorable Opinion of Bond Counsel. The issuance of Additional Bonds (other than for refunding purposes) may create dilution of interest in and additional claims against the Trust Estate pledged under the Trust Agreement. For a description of additional requirements for issuing Additional Bonds, see "FORMS OF CERTAIN FINANCING DOCUMENTS – The Trust Agreement" in Appendix C hereto.

INVESTMENT CONSIDERATIONS

In analyzing the Series 2026 Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully consider the following investment considerations prior to making a decision to purchase the Series 2026 Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Series 2026 Bonds. ***Additional investment considerations relating to the purchase of the Series 2026 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision***.

Nonappropriation

The debt service on the Series 2026 Bonds will be payable primarily from Base Payments made by the City pursuant to the Purchase and Use Agreement. The obligation of the City to pay Base Payments is limited to funds that are specifically budgeted and appropriated annually each Fiscal Year for that purpose. Pursuant to the Purchase and Use Agreement, the officer of the City charged with the responsibility for formulating budget proposals shall include in the budget proposals for a Fiscal Year for consideration by the City Council amounts sufficient for the City to make the Base Payments for such Fiscal Year. In its sole discretion, the City may terminate the Purchase and Use Agreement annually without any penalty.

The Initial Installment Payment, the Costs Advanced, and each Base Payment made by the City under the Purchase and Use Agreement (other than amounts constituting proceeds of the Series 2026 Bonds and investment earnings thereon) will cause an undivided interest in the Facilities, equal to that percentage of the total payments (Initial Installment Payment, Costs Advanced, and debt service (principal and interest) payable on the Series 2026 Bonds) represented by such amounts, to transfer from the Issuer to the City without further action by either party. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein.

Availability of Available Sources

The City's ability to make Installment Payments will be impacted by its access to Available Sources. The City's authority to issue general obligation bonds to make Installment Payments is limited by Article X, Section 14 of the State Constitution, which limits the principal amount of general obligation bonds of the City that may be outstanding at any time (unless approved by referendum) to that amount which is equal to eight percent (8%) of the assessed value of all taxable property within the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Sources of Installment Payments" and "DEBT STRUCTURE – General Obligation

Debt Limit" in Appendix A. The City has indicated that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other Available Sources, sufficient to make Base Payments when due. This statement of intent by the City does not create a contractual obligation on the City's part and does not create any obligation for the City maintain its capacity to issue general obligation bonds. The City makes no representation or warranty as to its ability to issue general obligation debt in the future. The availability and sufficiency of Available Sources should be considered in making an investment decision. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein and Appendix A hereto.

Pending Legislation Impacting Ability to Issue General Obligation Debt for Base Payments

From time to time the General Assembly of the State of South Carolina considers legislation that would impact the ability of political subdivisions, including the City, to enter into "Financing Agreements." Financing Agreements are currently defined under South Carolina law to include those agreements that under the terms of which a governmental entity acquires the use of an asset which agreement provides (a) for payments to be made in more than one fiscal year, (b) that the payments are divided into principal and interest components; (c) that title to the asset will be in the name of or be transferred to the governmental entity if all payments scheduled or provided for in the financing agreement are made; and (d) that installment payments of the purchase price are to be paid by a school district or other political subdivision to a nonprofit corporation, political subdivision, or any other entity in order to finance the acquisition, construction, renovation, or repair of school buildings or other school facilities. The current law dates to 2006, and had the effect of requiring school districts to include the principal amount referenced in any Financing Agreement in the debt limit of a school district when it determined whether a new transaction would be constitutional under its debt limit.

On February 4, 2026, S.B. 891, was introduced in the South Carolina Senate, the provisions of which seek to expand the definition of Financing Agreement to include assets used by counties, municipalities, and special purpose districts, and no longer limit the definition to "school buildings or other school facilities." If enacted, S. 891 would limit new Financing Agreements supporting installment purchase revenue bonds, except for refinancing purposes, and would also limit the ability of entities to issue general obligation debt to make payments under the Financing Agreement if the Financing Agreement plus the outstanding debt of the local government exceeded the amount of the local governments constitutional debt limit. In the case of the City, S.B. 891 would impair the ability of the City to issue general obligation bonds to make Base Payments under the Installment Purchase and Use Agreement. On March 11, 2026, the Senate Finance Constitutional Subcommittee met to consider S.B. 891. After a hearing on the bill, S.B. 891 did not advance out of the committee.

Utility Fund Transfers

Transfers from the Utility Fund to the City's general fund under the Financial Policies are anticipated to be a material component of the Available Sources with which the City plans to make Base Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Sources of Installment Payments" and "CERTAIN FISCAL MATTERS – City Revenue Sources" in Appendix A. The general fund is very reliant on the transfer from the Utility Fund, and does not have viable alternatives to increase general fund revenues in the event that the transfers were substantially reduced or eliminated.

The Financial Policies have been approved by Council and may be amended, modified, suspended, or repealed at any time, and there can be no assurance that transfers will be maintained at historic levels or the levels anticipated by the recent amendments to the Financial Policies. See "CERTAIN FISCAL MATTERS – City Revenue Sources" in Appendix A for a table of historic and anticipated transfers. Further, the amounts available for transfer are subject to risks affecting the City's combined water, sewer and electric utility system (the "*System*"). Utility revenues may decline, reducing franchise fee transfers; System assets may fail or depreciate, reducing payments in lieu of taxes; and reductions in staffing or shared administrative services may reduce cost of service allocations. Consistent with the Supreme Court of South Carolina's holding in *Azar v. City of Columbia*, 414 S.C. 307 (2015), Utility Fund revenues may be transferred only to the extent such revenues are surplus to the reasonable needs of the System. If Utility Fund revenues are required for operating expenses, capital needs, debt service, or required reserves, transfers may be reduced or eliminated. Based on the foregoing, Utility Fund transfers may vary

from year to year or be unavailable, which could materially and adversely affect revenues available for repayment of the Series 2026 Bonds.

Continuing Need for Facilities

As the City makes Installment Payments over the term of the Series 2026 Bonds, it will increase its undivided interest in the Facilities and reduce the Issuer's undivided interest in the Facilities. As a result, the City's need for the portion of the Facilities retained by the Issuer will diminish as the Issuer's undivided interest in the Facilities decreases. The Costs Advanced and the Initial Installment Payment represent portions of the costs of the 2026 Project which are funded directly by the City and not from proceeds of the Series 2026 Bonds. As such, the portion of the 2026 Projects represented by the Costs Advanced and funded from the Initial Installment Payment are treated as being initially owned by the City when the Series 2026 Bonds are issued and not part of the Facilities to be purchased by the City over time pursuant to the Purchase and Use Agreement. While the Costs Advanced are not Installment Payments, for purposes of determining the City's percentage ownership in the Facilities, the Costs Advanced are taken into account when the Series 2026 Bonds are issued, as is the Initial Installment Payment. As a result, with each Installment Payment made by the City, the City's percentage of ownership of the Facilities is higher and increases more quickly than if there were no Costs Advanced and no Initial Installment Payment for the 2026 Projects. Moreover, as Installment Payments of purchase price are made and in consideration of the Costs Advanced and the Initial Installment Payment, the City's proportionate undivided interest in the Facilities will increase at a faster rate than the outstanding principal amount of the Series 2026 Bonds will be reduced.

Notwithstanding the Costs Advanced and the Initial Installment Payment, in the later years of the terms of the Series 2026 Bonds, the unpaid principal amount of the Series 2026 Bonds might exceed the fair market value of the Issuer's undivided interest in the Facilities, which may have an impact on the City's decision to appropriate amounts with which to pay Base Payments.

Restricted Use of City Hall Facility

The site of the City Hall Facility is subject to a recorded deed restriction that prohibits the City and its successors from using, leasing, or selling the property for "Financial Institution Purposes", which includes banks, credit unions, savings and loan associations, brokerage firms, wealth advisors, or other entities providing depository, lending, investment, insurance, or money-services activities. This restriction was imposed by First Palmetto Bank in connection with its relocation to an adjacent site and runs with the land, binding all future owners. The restriction limits the future uses of the City Hall Facility, and in the event of partitioning described herein under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Purchase and Use Agreement", usage for Financial Institution Purposes is restricted.

Environmental Conditions

The site of the City Hall Facility previously operated as an automotive service station and contained underground storage tanks ("*USTs*"). A release of petroleum product from the former UST system was reported to the South Carolina Department of Environmental Services (formerly the South Carolina Department of Health and Environmental Control) in January 2014 and confirmed in August 2017. In September 2022, twenty-seven monitoring wells were installed on the site to delineate the contaminant plume associated with the release. A consulting engineer recommended Aggressive Fluid Vapor Recovery ("*AFVR*") events at certain wells to remove free-phase petroleum and reduce contaminant concentrations. The AFVR events are being initiated and groundwater monitoring at the site continues.

In addition, properties located in the immediate vicinity of both the City Hall Facility and the Public Safety Facility previously operated as automotive service stations (including USTs), dry-cleaning establishments, or other uses that may have resulted in environmental impacts.

These historical uses may have created environmental contamination or other regulatory conditions affecting the City Hall Facility and the Public Safety Facility. The extent to which such conditions may impact the new facilities is unknown, and it is not possible to predict what, if any, obligations for investigation, mitigation, or remediation may be imposed on the City or the Issuer. If environmental remediation or regulatory compliance

activities are required, the City or the Issuer could incur material costs. Any such costs could adversely affect the City's or the Issuer's financial condition, the operation or use of the facilities, or the ability or willingness of the City or the Issuer to make payments on the Series 2026 Bonds. No assurance can be given that additional contamination will not be discovered, that regulatory requirements will not change, or that future environmental conditions will not result in increased costs or liabilities. Environmental risks are inherently uncertain, and actual outcomes may differ materially from current expectations.

No Mortgage, Limited Ability to Lease Facilities

The Issuer has not mortgaged the 2026 Real Property or the Facilities. If the Purchase and Use Agreement is terminated, the Series 2026 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing, until the expiration of the Base Lease (May 1, 2061) of the portion of the Facilities that remains with the Issuer after the completion of the partitioning described herein under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Purchase and Use Agreement." The City can make no assurances that any portion of the Facilities can be leased for purposes that will yield revenues sufficient to pay all or any portion of debt service on the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Trust Agreement" herein. Furthermore, the ability to lease such Facilities to a tenant that would comply with the covenants of the Corporation with respect to maintaining the tax status of interest on the Series 2026 Bonds is not expected to be favorable.

No Title Insurance

A title insurance policy insuring the City's interest in the 2026 Real Property is not contemplated for issuance. As a result, title insurance will not be available as protection to insure the Issuer's leasehold interest in the 2026 Real Property.

Enforceability of Remedies

The realization of value from the pledge of the Trust Estate under the Trust Agreement upon the occurrence of an Event of Default or Event of Nonappropriation will depend upon the exercise of various remedies specified by the Trust Agreement and the Purchase and Use Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2026 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement or the Purchase and Use Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Purchase and Use Agreement.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 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 City should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. §§ 901, *et seq*., as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs the petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors that have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A

petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness or alter the payment terms, maturity schedule, and other provisions governing the indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the petitioner before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Climate Change

Planning for climate change and its potential impacts on the City and the Issuer presents an evolving and uncertain challenge. The State's climate is highly variable, and while projections generally indicate rising average temperatures, projections regarding future precipitation patterns remain uncertain and, in some cases, contradictory. Potential impacts may include changes in the frequency, duration, and severity of fires, droughts, floods, and other extreme weather events, such as the recent occurrence of Hurricane Helene in 2024, which did not materially impact the City, but caused significant devastation throughout the State, including the upstate region which is traditionally not affected by hurricane events.

Such conditions could adversely affect the City's infrastructure, the System and service demands, increase operating and capital costs, disrupt economic activity, or contribute to population shifts within the City. The timing, magnitude, and financial impact of climate-related effects on the City and the Issuer cannot be reliably predicted at this time. Accordingly, climate change and related risks could have an adverse effect on the City's financial condition and the Available Sources.

Pension

As described in "CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits" in Appendix A and in Note 7 to the audited financial statements of the City included as Appendix B, eligible employees of the City participate in the SCRS and PORS (as each term is defined in "CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits" in Appendix A hereto). As a result of the enactment of Act No. 13 (as defined in "CERTAIN FISCAL MATTERS – Retirement Plans and Fringe Benefits" in Appendix A hereto), the City's required contribution rate has increased in accordance with the statutory mandated employer contribution rate increases. Also, the amount of the City's allocation of the SCRS or PORS liability may increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the City cannot predict with any certainty.

Risk of Loss, Damage, or Destruction

The City has covenanted in the Purchase and Use Agreement that it will cause the Facilities to be continuously insured against physical loss or damage. The City and the Issuer have further covenanted that the proceeds of such insurance shall be applied to repair or replace the damaged or destroyed Facilities. There can be no assurance that the proceeds of insurance or other sources of funds available to the City and the Issuer for purposes of replacing, repairing, rebuilding, or restoring all or any portion of the Facilities that may be damaged or destroyed will be sufficient for such replacement, repair, rebuilding, or restoration.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored therein could be disrupted, accessed, publicly disclosed, lost or stolen. The City has previously been impacted by a cyber-security breach. "APPENDIX A – CERTAIN FISCAL MATTERS – Cyber Security". While the financial damages of the former breach were negligible, future cyber events could materially adversely affect the operations of the City, including its ability to appropriate funds for repayment of the Series 2026 Bonds. For a discussion of existing cyber-security practices in the City, see "APPENDIX A – CERTAIN FISCAL MATTERS – Cyber Security".

Health Risks

Outbreaks of communicable diseases, including measles, have occurred in certain areas of the State. Measles is highly contagious, and declining vaccination rates may increase the risk of further spread. The timing, extent, and severity of measles or similar disease outbreaks are uncertain. A significant outbreak affecting the City or surrounding region could disrupt governmental operations, increase public service demands, or adversely affect local economic activity. The financial impact of such events cannot be reliably predicted and could adversely affect the City's financial condition and revenues available for repayment of the Series 2026 Bonds.

Other General Factors

The City has been, and may in the future be, affected by other factors which could impact its financial condition and its need for the Facilities. In addition to the factors discussed elsewhere herein, such factors include, among other things:

- Effects of compliance with rapidly changing regulatory and legislative requirements relating to climate, environmental matters (in addition to conditions described in "–Environmental Conditions" above), safety and permitting;
- The repeal of certain federal statutes that would have the effect of decreasing federal funding or changing federal tax policy, including the ability to issue tax-exempt obligations;
- Effects of changes in the economy, population and demand of customers for services delivered by the City; and
- Effects of litigation and other disputes involving the City.

TAX MATTERS

Federal Income Tax Generally

On the date of issuance of the Series 2026 Bonds, Bond Counsel will render an opinion that, under existing law, assuming continuing compliance with certain covenants made by the Issuer to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the applicable regulations promulgated thereunder (the "*Regulations*") and the accuracy of certain representations, interest on the Series 2026 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the application of the 15-percent alternative minimum tax imposed on the adjusted financial statement income of such corporations under Section 55 of the Code (in general, an "applicable corporation" is a corporation whose average annual adjusted financial statement income (*i.e.,* adjusted book income) exceeds $1 billion for the 3-taxable year period ending with the tax year in question). See "APPENDIX D – Form of Opinion of Bond Counsel" hereto.

The opinion of Bond Counsel is based on current statutes, regulations, judicial decisions, rulings, and other published guidance of the Internal Revenue Service (the "*IRS*"), covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2026 Bonds for federal income tax purposes. Bond Counsel's opinion is based upon existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The opinion of Bond Counsel described above is subject to the condition that the Issuer and the City comply with all requirements of the Code and the Regulations, including, without limitation, certain limitations on the use, expenditure, and investment of the gross proceeds of the Series 2026 Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order for interest thereon to be, or to continue to be, excluded from gross income for federal income tax purposes. The Issuer and the City have covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the Series 2026 Bonds. The opinion of Bond Counsel delivered on the Delivery Date of the Series 2026 Bonds is conditioned on continuing compliance by the Issuer and the City with such requirements, and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Bonds.

Other Federal Income Tax Considerations

Prospective purchasers of the Series 2026 Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. *The Bonds have not been designated as "bank-qualified" tax-exempt obligations under Section 265(b)(3) of the Code.* Bond Counsel expresses no opinion concerning such collateral income tax consequences, and prospective purchasers of Series 2026 Bonds should consult their tax own advisors as to the applicability thereof.

From time to time, there are legislative proposals in Congress which, if enacted into law, could eliminate or reduce the exclusion of the interest on the Series 2026 Bonds from gross income for federal income tax purposes or which might otherwise adversely affect the benefit or marketability of the Series 2026 Bonds. No prediction can be made as to whether any such provisions will be enacted as proposed or concerning other future legislation which, if passed, might affect the tax treatment of interest on the Series 2026 Bonds. Similarly, future clarifications of the Code by the IRS and court proceedings interpreting the Code could likewise affect the treatment of interest on the Series 2026 Bonds, as well as the benefit or marketability of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, court proceedings, and IRS actions, as to all of which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2026 Bonds. Bond Counsel's engagement with respect to the Series 2026 Bonds ends with the issuance of the Series 2026 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the holders of the Series 2026 Bonds regarding the tax-exempt status of the Series 2026 Bonds in the event of an audit examination by the IRS.

Under current procedures, parties other than the Issuer and the City and their appointed counsel, including the holders of the Series 2026 Bonds, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable.

Any action of the IRS, including but not limited to selection of the Series 2026 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026 Bonds, and may cause the Issuer and the City or the holders of the Series 2026 Bonds to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the Issuer or the City may be obligated to disclose the commencement of an audit under the Disclosure Dissemination Agreement (a copy of which is attached as Appendix E to this Official Statement).

[Original Issue Discount]

[As shown on the inside front cover page of this Official Statement, the Series 2026 Bonds maturing in the years 20___ through 20___ have been sold at an initial offering price which is less than the principal amount thereof payable at maturity ("*Discount Bonds*"). The difference between the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers) at which a substantial amount of each maturity of Discount Bonds is sold and the principal amount payable at maturity constitutes original issue discount.

In the case of Discount Bonds, Bond Counsel is of the opinion that original issue discount, as it accrues, is excluded from gross income for federal income tax purposes and is subject to the alternative minimum tax to the same extent as is interest on the Series 2026 Bonds. Original issue discount accrues in each taxable year over the term of the Discount Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code, with certain adjustments.

The tax basis of Discount Bonds if held by an original purchaser, can be determined by adding to such owner's purchase price of such Discount Bonds the original issue discount that has accrued.

Owners of the Discount Bonds should consult their own tax advisers with respect to all matters relating to such discount.]

[Original Issue Premium]

[As shown on the inside front cover page of this Official Statement, the Series 2026 Bonds maturing in the years 20___ through 20___ have been sold at an initial offering price which is greater than the amount payable at maturity ("*Premium Bonds*"). An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes original issue premium.

For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of the Premium Bonds should consult their own tax advisers with respect to all matters relating to such bond premium.]

Reporting and Withholding Requirements

Payments of interest on tax-exempt bonds, including the Series 2026 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements.

An owner of a Series 2026 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid on the Series 2026 Bonds if such owner, upon issuance of the Series 2026 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails properly to report interest, dividends, or other "reportable payments" (as defined in the Code), or, under certain circumstances,

fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

These requirements do not affect the exclusion of interest on the Series 2026 Bonds from gross income for federal income tax purposes.

State Tax Exemption

Bond Counsel is of the opinion that, under existing law, the Series 2026 Bonds and the interest thereon are exempt from all taxation by the State, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest paid on the Series 2026 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the South Carolina Code, which is enforced by the South Carolina Department of Revenue as a franchise tax.

The opinion of Bond Counsel is limited to the laws of the State and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Series 2026 Bonds or the interest thereon under the laws of any other jurisdiction.

LEGAL MATTERS

Approval of Certain Proceedings

Certain legal matters pertaining to the Issuer and its authorization and issuance of the Series 2026 Bonds are subject to the approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2026 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix D. Pope Flynn, LLC is also acting as Disclosure Counsel and counsel to the Issuer and the City in connection with the offer and sale of the Series 2026 Bonds.

Litigation

There is no controversy or litigation of any nature now pending against the City or the Issuer or to the knowledge of the officers of the City or the Issuer threatened against them, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2026 Bonds or any proceedings of the City or the Issuer taken with respect to the issuance and sale thereof, the pledge of the Trust Estate under the Trust Agreement or the use of the proceeds of the Series 2026 Bonds.

Other Legal Matters

From time to time, one or both of Pope Flynn, LLC and Burr & Forman LLP have represented the Underwriter as counsel in financing transactions unrelated to the Series 2026 Bonds. Neither the Issuer, the City, nor the Underwriter, has conditioned the future employment of these firms in connection with any proposed financing issues for the City, the Issuer, or the Underwriter on the successful execution and delivery of the Series 2026 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2026 Bonds upon an event of default under the Trust Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Trust Agreement, and the Series 2026 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors enacted before or after such delivery.

CONTINUING DISCLOSURE

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2026 Bonds, and the Issuer will not provide any such information. The City has undertaken all responsibilities for any continuing disclosure to beneficial owners of the Series 2026 Bonds as described below, and the Issuer will have no liability to the beneficial owners of the Series 2026 Bonds or any other person with respect to such disclosures; provided however that the Issuer's certificate will only cover the headings of this Official Statement entitled "THE ISSUER" and "LEGAL MATTERS – Litigation" relating to the Issuer only.

Pursuant to the Disclosure Dissemination Agreement, the City will covenant for the benefit of the registered owners and the "Beneficial Owners" (as defined in the Disclosure Dissemination Agreement) of the Series 2026 Bonds, to provide certain financial information and operating data relating to the City by no later than February 1 after the end of each of the City's Fiscal Years, commencing with the report for the Fiscal Year 2026 (the "*Annual Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the Series 2026 Bonds, in accordance with Rule 15c-12(b)(5) under the Securities Exchange Act of 1934, as amended (the "*Rule*"). The Annual Report will be filed on behalf of the City by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board ("*MSRB*") through its Electronic Municipal Market Access system (and with the State Information Depository, if any, established by the State). The notices of such material events will be filed on behalf of the City by DAC with the MSRB (and with such State Information Depository, if any). The specific nature of the information to be contained in the Annual Report and the notices of material events is set forth in Appendix E. These covenants have been made in order to assist the original purchaser of the Series 2026 Bonds in complying with the Rule.

As provided in the Disclosure Dissemination Agreement, if the City fails to comply with any provision of the Disclosure Dissemination Agreement, any Holder may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City to comply with its continuing disclosure obligations under the Disclosure Dissemination Agreement. If any person seeks to cause the City to comply with its continuing disclosure obligations under the Disclosure Dissemination Agreement, it is the responsibility of such person to demonstrate that it is a Holder within the meaning of the Disclosure Dissemination Agreement.

The City previously entered into a continuing disclosure undertaking with respect to its $52,015,000 Combined Public Utility System Revenue Bonds, Series 2020 (the "*Series 2020 Bonds*"). The previous disclosure undertaking required the City to provide certain financial information and operating data similar to the Annual Report by no later than February 1 of each year (seven months after the end of each Fiscal Year), including its audited financial statements and information regarding the system, and to provide notices of the occurrence of certain enumerated events (generally, the "*Disclosure Requirements*").

The City failed to comply with the Disclosure Requirements regarding the incurrence of the following financial obligations: (1) three Lease Purchase Agreements with Truist Bank dated June 30, 2021; (2) a Lease Purchase Agreement with First-Citizens Bank & Trust Company dated May 17, 2024; and (3) the $6,000,000 Combined Public Utility System Revenue Bond, Series 2025B dated October 15, 2025. The City subsequently filed notices of failure to file and certain information related to the foregoing financial obligations on May 19, 2023, May 17, 2024 and January 30, 2026, respectively. Additionally, in the process of preparing this Official Statement, the City noted certain reporting discrepancies in the presentation of "Historic Coverage" and the "Summary of Revenue and Expenses" for Fiscal Year 2024 as required by the Disclosure Requirements. Supplemental disclosures were filed on April 22, 2026 to update the prior disclosures.

The City has also covenanted in the Purchase and Use Agreement, under Section 11-1-85 of the South Carolina Code, to file with a central repository for availability in the secondary market, when requested: (i) an annual independent audit within 30 days of its receipt, and (ii) event specific information, within 30 days of an event adversely affecting more than 5% of revenue or its tax base. However, any failure to comply with the foregoing may only be remedied by an action for specific performance.

MUNICIPAL ADVISOR

First Tryon Advisors, LLC, Charlotte, North Carolina, serves as a Municipal Advisor to the City in connection with the sale and issuance of the Series 2026 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

RATINGS

Moody's Investors Service, Inc. ("*Moody's*") and S&P Global Ratings ("*S&P*") have assigned ratings of "A1" and "A+/Stable", respectively to the Series 2026 Bonds. Such ratings reflect only the view of Moody's and S&P and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing the same. The Issuer and the City have furnished Moody's and S&P with certain information and materials respecting the Issuer, the City and the Series 2026 Bonds. Generally, Moody's and S&P base their rating on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by it. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any and all such rating agencies if, in the judgment of any and all, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds will be purchased for re-offering at negotiated sale by Raymond James & Associates, Inc. (the "*Underwriter*") from the Issuer at an aggregate purchase price of $_____, representing the principal amount of the Series 2026 Bonds, plus [net] original issue premium of $_____ and less an Underwriter's discount of $_____. The Underwriter, the Issuer and the City have entered into a purchase contract, which provides that the Underwriter will purchase all of the Series 2026 Bonds, subject to certain conditions. The obligation of the Underwriter to accept delivery of the Series 2026 Bonds will be subject to various conditions contained in the purchase contract.

The Underwriter intends to offer the Series 2026 Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which offering prices may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter has reserved the right to permit other securities dealers who are members of the Financial Industry Regulatory Authority ("*FINRA*") to assist in selling the Series 2026 Bonds. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts) at prices lower than the public offering prices set forth on the inside cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2026 Bonds will be deducted from the Underwriter's underwriting profits.

FINANCIAL STATEMENTS

The audited financial statements of the City for the Fiscal Year 2025, included herein as part of Appendix B, have been audited by Cantey, Tiller, Pierce & Green, LLP, Camden, South Carolina, independent certified public accountants, whose independent auditor's report dated January 16, 2026, appears in Appendix B.

CONCLUDING STATEMENT

The execution and delivery of this Official Statement have been duly authorized by the Issuer and the City. Concurrently with the delivery of the Series 2026 Bonds, the undersigned will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Series 2026 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

All the summaries of the provisions of the Series 2026 Bonds, the Trust Agreement, the Purchase and Use Agreement, the Base Lease, and all summaries and references to other documents, instruments and materials not purported to be quoted in full are only brief outlines of certain provisions thereof and are not intended to be and do not constitute complete statements of such documents or provisions. Reference is made hereby to the complete documents relating to such matters for the complete terms and provisions thereof, or for the information contained therein. The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all foregoing statements.

Certain of the information set forth in this Official Statement and in the appendices hereto has been obtained from sources other than the Issuer or the City that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter, the Issuer, or the City.

The execution and delivery of this Official Statement have been duly authorized by the City and the Issuer.

CITY OF CAMDEN, SOUTH CAROLINA

By: _____
Mayor

CAMDEN PUBLIC FACILITIES CORPORATION

By: _____
President

APPENDIX A

DESCRIPTION OF THE CITY OF CAMDEN

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APPENDIX A

DESCRIPTION OF THE CITY OF CAMDEN

General Description

The City, incorporated in 1791, is the county seat of Kershaw County, South Carolina (the "*County*"), and is the oldest inland municipality in the State of South Carolina (the "*State*"). The City is located 32 miles east of Columbia, the State capital, and 76 miles south of Charlotte, North Carolina. The City has a total area of 11.4 square miles and a 2024 estimated population of 8,899. The population at the beginning of each of the preceding three decades and the most recent year available (estimated) is set forth in the following table:

Year	Population
2000	6,682
2010	6,838
2020	7,804
2024	8,899

Source: U.S. Census Bureau; U.S. Bureau of Economic Analysis.

Form of Government

The City operates under the council-manager form of government. The City Council, the governing body of the City (the "*City Council*"), is vested with the legislative and policy-making power of the City, and is responsible for, among other things, enacting ordinances, adopting the budget, appointing committees and hiring both the city manager (the "*City Manager*") and the city attorney. The City Council is comprised of a mayor (the "*Mayor*") who is elected at large for a four-year term, and four City Council members who are elected at-large and serve staggered four-year terms. The Mayor is the presiding officer of City Council, but has the same voting rights as other members of the City Council. The City operates on a July 1 to June 30 fiscal year (a "*Fiscal Year*"; references to a Fiscal Year followed by a year (e.g. "Fiscal Year 2025"), shall mean the Fiscal Year of the City ended June 30 of the year stated).

The City Manager administers the daily operations of the City and appoints staff and department heads. The City Manager is responsible for supervising and coordinating the activities of the City departments; attending City Council meetings and making recommendations on appropriate matters of business; overseeing the implementation of orders and policies of City Council; recommending the annual budget of the City; advising City Council on the financial condition of the City; and representing the City in business with other agencies.

The present Mayor and other members of City Council, their occupations, and the dates of the expiration of their terms on City Council, are as follows:

Name	Occupation	Expiration of Term
Vincent Sheheen, Mayor	Attorney	November 30, 2028
Hamilton Boykin	Businessman	November 30, 2026
Delia J. Davis	Realtor	November 30, 2026
Phil Elliott	Retired	November 30, 2028
William Wilkes	Philanthropist	November 30, 2028

Mayor. The Mayor is Vincent Sheheen, who was elected for a term that commenced on December 1, 2024 and will expire on November 30, 2028. He maintains an active law practice, co-hosts a popular political podcast, and recently authored *The Concise Guide to South Carolina State Government*. Mayor Sheheen was a member of the South Carolina Senate from 2004-2020, representing the 27th District. He was also a member of the South Carolina House of Representatives from 2001-2004 and was the State Democratic Party nominee for Governor in 2010 and 2014. Mayor Sheheen holds a Bachelor of Arts Degree in Political Science from Clemson University and a Juris Doctor Degree from the University of South Carolina.

City Manager. The City Manager is Matthew DeWitt, who has served in that position since July 1, 2024. Mr. DeWitt previously served as the City Manager and Assistant City Manager for the City of Newberry, South

Carolina. Mr. DeWitt received a Bachelor of Science degree from Newberry College in 2002, a Master's of Science degree from Troy University in 2004, and a Master's in Public Administration from Clemson University in 2015.

Finance Director. The Finance Director is Victoria (Tori) L. Smith, who has served in that position since December 2025. Mrs. Smith previously worked for the SC Virtual Charter School and worked twenty-one years with the Kershaw County School District. Mrs. Smith graduated with a Bachelor of Science degree in Business Administration from the University of South Carolina in 1998. By virtue of her role as Finance Director, Mrs. Smith currently serves as the Designated Director to the Board of Directors (see "INTRODUCTION – The Issuer" herein).

General Fund Services

The City provides various local services which are funded from the receipts of the City's *ad valorem* tax levy, business licensing taxes and State funding as well as certain fees and user charges. The City provides the following services: general government, public safety, highways and streets, sanitation and culture and recreation, Additionally, the City provides certain business-related functions with respect to the City's combined water, sewer, and electric utility system (the "*System*"). The services provided through the System, are discussed at "System" below.

In order to provide these services, the City authorized in its budget for the Fiscal Year 2026, 175 full-time equivalent positions consisting of the following:

Function	Full Time Equivalent
General Government	21
Public Safety	73
Highways and Streets	5
Sanitation	18
Culture and Recreation	12
System	46
Total	175

A brief description of each of the City's services is provided below, excepting those related to the System, which are discussed in detail at "System" below.

General Government. General government services encompass administration, court, finance, building, zoning, planning and grants functions.

Public Safety. Public safety activities include police, fire, and emergency services.

Highway and Streets. Highway and street services comprise street maintenance and signage.

Sanitation. Sanitation services include residential and commercial trash service as well as yard debris removal.

Culture and Recreation. The City's culture and recreation services are provided through the City's tennis center, parks, trails, event venues, museums, and River Front Environmental Park and recreation access. This function also supports the City's tourism support services.

System

Description of the System. The System includes the water, sanitary sewer and electric components. The System provides electric services to approximately 10,567 customers, including approximately 5,205 out-of-City customers, water services to approximately 6,834 customers, including approximately 2,418 out-of-City customers, and sewer services to approximately 4,868 customers including approximately 714 out-of-City customers.

The City has the exclusive right to provide electrical, water, and sewer services inside its corporate limits. Under South Carolina law, the City may provide utility services outside of its corporate limits except within a designated service area for such services of another municipality or political subdivision including special purpose districts. "Designated service area" is defined as an area in which the particular service is being provided or is budgeted or funds have been applied for as certified by the applicable county council. Further, respecting electric service, designated service area includes territory outside the municipal boundaries where service area is assigned by the South Carolina Public Service Commission ("*PSC*").

Waterworks Component

The City obtains all of its water supply from Lake Wateree. The City is a member of the Catawba-Wateree Water Management Group, an organization that coordinates and oversees the management of the watershed's water supply. The existing water treatment plant, raw water supply system, and finished water transmission main were constructed in 1998 and 1999 (the "*Water Treatment Plant*"). Raw water is pumped to the water treatment plant from dual intakes located in Lake Wateree. The Raw Water Station is located on Lake Wateree on Atoka Trail. The water treatment plant is located about a mile away on Flint Hill Road. The finished water transmission main, with a length of approximately 8.5 miles, connects with the City's water distribution system. Water service is provided as of June 30, 2025, to 6,834 customer accounts, including 4,416 "in-City" and 2,418 "out-of-City" connections. As indicated by these customer numbers, the City's water service area is significantly larger than its corporate limits. Principal water system components include: the raw water supply system, the 6.0 million gallons per day ("*MGD*") Water Treatment Plant, the transmission main, clearwell, four elevated storage tanks of approximately 1,150,000 gallons total capacity, two booster stations, approximately 163.5 miles of distribution lines, approximately 700 fire hydrants, and service connection piping and a water meter for each customer. Average daily flows for Fiscal Year 2025 were reported at approximately 1.9 MGD, and average daily flows for Fiscal Year 2024 were reported at approximately 2.1 MGD.

Sewer Component

The City's wastewater system consists of a network of gravity collector and interceptor pipelines with a total length in excess of 100 miles, fifteen major wastewater pumping stations and force mains, and the wastewater treatment facility. The wastewater service area includes all areas within the corporate limits of the City and certain adjacent and unincorporated areas within the County. As of June 30, 2025, the City provides wastewater service to 4,868 customer accounts, including 4,154 "in-town" and 714 "out of town" connections.

The wastewater treatment facility is located in the southwest portion of the City and has a permitted capacity of 4.0 MGD average daily flow, with a current peak pumping capacity of 15 MGD; and is capable of being expanded to 8.0 MGD. This facility was substantially upgraded and expanded from its previous capacity of 3.0 MGD in Fiscal Year 2013. The facility utilizes a 3-stage, aerated Biological Nutrient Removal treatment technology to produce effluent consistent with "secondary" standards. Treated effluent, following ultraviolet disinfection, is discharged to the Wateree River at a location immediately adjacent to the treatment facility. The City's old lagoon has been converted into a constructed wetlands area environmental park. Average daily flows for Fiscal Year 2025 were reported at approximately 1.8 MGD, and average daily flows for Fiscal Year 2024 were reported at approximately 1.9 MGD.

Electric Component

The City currently purchases electrical power from Carolina Power Partners, LLC ("*CPP*") for resale to its customers under the terms of a wholesale electric power sales agreement dated September 26, 2018, as amended and restated on November 14, 2019 (the "*CPP Agreement*"). The CPP Agreement has a 20-year term, beginning January 1, 2021, and terminating December 31, 2040. Under the CPP Agreement, CPP will supply power to the City from its Kings Mountain Energy Center ("*KMEC*") facility, a combined-cycle natural gas-fired generating facility. The CPP Agreement is a full requirement contract whereby, CPP agrees to sell, and the City agrees to purchase, electric generating capacity equal to the City's electricity requirements exclusively from CPP during the operating term of the CPP Agreement. The CPP Agreement does provide the City flexibility in adding renewable generation which could include energy delivered to the City from the Southeastern Power Administration ("*SEPA*")[1] or any City-initiated renewable generation. The City's monthly payment to CPP is comprised of two elements: (i) the monthly capacity payment and (ii) the monthly energy payment. The monthly capacity payment is a contractually set charge per kW applied to the City's actual kW demand at the time of the KMEC's peak demand. The monthly energy payment corresponds with the kWh of electricity dispatched by CPP to the City. The monthly energy payment is a contractually set amount for variable operation and maintenance plus an amount to recover the cost of natural gas delivered to KMEC as set by an agreed upon price index. The CPP Agreement also allows the City further flexibility in hedging this cost of natural gas at the City's discretion.[2] The City's payment obligation to CPP under the CPP Agreement shall be treated as an Operation and Maintenance Expense and shall be paid out of the Gross Revenues of the System. Upon dispatch by CPP, the City is responsible for all transmission and related services to deliver the electricity to the City's substations, as it was under the Duke Agreement.

Electrical power is received by the City at three delivery points: the DeKalb Street substation, the Dusty Bend substation, and the South Camden substation. Included within the DeKalb Street substation are a high voltage structure, two circuit switchers, two step-down transformers with load voltage regulators, and a steel switching structure with space for ten outgoing circuits. Eight distribution circuits presently originate at the DeKalb Street substation. Each circuit is equipped with automatic protection and control equipment. The Dusty Bend substation consists of a high voltage structure, circuit switcher, step-down transformers with load voltage regulator, low voltage structure with provisions for six outgoing circuits, and circuit breakers to control and protect the outgoing circuits. Six distribution circuits presently originate at the Dusty Bend substation. The South Camden substation consists of a high voltage structure, circuit switcher, step-down transformer with load voltage regulator, low voltage structure with provisions for four outgoing circuits, and circuit breakers to control and protect the outgoing circuits. Four distribution circuits presently originate at the South Camden substation. The City owns all three of these electrical substations. Operation of all three substations can be monitored and controlled over City-owned fiber optic network through a supervisory control and data acquisition ("*SCADA*") computer system at the Public Utilities office.

Electricity is distributed by the City to its retail customers through distribution lines which are operated at approximately 12,470 volts. City crews maintain approximately 650 miles of aerial and underground distribution lines. The SCADA system has the capability to automatically monitor and control the electrical system and perform load management functions to reduce system demand at peak times. The City provided its customers with approximately 188.3 million kilowatt hours ("*kWh*") of electricity and had a peak demand of approximately 46,663 kilowatts ("*kW*") during Fiscal Year 2025. All City residential and commercial electric meters are equipped with automatic meter reading technology. The City also has 1,905 kW of distributed capacity internal combustion generation installed at various facilities, which can be dispatched during emergencies.

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[1] SEPA was established in 1950 by the Secretary of the Interior and is responsible for marketing electric power and energy generated at reservoirs operated by the United States Army Corps of Engineers at the lowest possible cost to public bodies and cooperatives in the Southeastern United States. The City does not currently have a contractual allowance from SEPA. Any such allowance the City may obtain would be a reduction of power supply needs from CPP as stipulated the terms of the CPP Agreement.

[2] The City entered into a Gas Supply Contract dated April 20, 2021 with Tennergy Corporation (the "*Gas Agreement*"), an energy acquisition corporation organized and existing under the Energy Acquisition Corporations Act of the State of Tennessee ("*Tennergy*") in connection with the issuance by Tennergy of Commodity Supply Revenue Bonds (the "*Tennergy Bonds*"). The proceeds of the Tennergy Bonds were used to finance a prepayment for an approximately 30-year supply to be delivered to Tennergy by a natural gas supplier. Tennergy resells this gas supply to the City, other municipal utilities and a joint action agency. The City will use all of the natural gas supply purchased under the Gas Agreement to generate electricity at the KMEC which shall be purchased by the City under the provisions of the CPP Agreement. Under the Gas Agreement, the City (a) agrees to purchase specified daily quantities of gas, (b) is obligated to pay only for gas that is delivered by Tennergy, and (c) agrees to use the electricity generated with the gas to serve retail customers located in the service area of the System.

Utility Services Provided by Other Governmental Entities

The existing electric, waterworks, and sewer service areas of the System are not coextensive. The service area for the waterworks and sewer services is limited to the City and areas of the County contiguous to the City, whereas the electric service area extends beyond the City and the County to several areas in Lee and Sumter Counties.

The other providers of electric service in the County are Duke Energy Progress ("*Duke*"), Lynches River Electric Cooperative ("*Lynches River Cooperative*"), Black River Electric Cooperative ("*Black River Cooperative*") and Fairfield Electric Cooperative, Inc. (the "*Fairfield Cooperative*"). The PSC has designated and assigned service areas for the City, Duke, Lynches River Cooperative, Black River Cooperative, and Fairfield Cooperative in the unincorporated areas of the County, Lee County, and Sumter County, and left certain areas in those counties unassigned. The City, Duke, Lynches River Cooperative, Black River Cooperative and Fairfield Cooperative compete for new service opportunities in the unassigned areas. In an unassigned territory, a customer may choose which utility will provide to it service. If the City expands its corporate limits through annexation into an assigned territory which is not otherwise being provided with active electric service by another provider, the City has the right to serve all new customers and the other utilities serving the assigned territory may retain any existing customers.[3]

The other providers of water service in the County are Kershaw County and Lee County Regional Water Authority (d/b/a Cassatt Water Company) ("*Cassatt*"), a special purpose district, Lugoff Water District of Kershaw County (d/b/a Lugoff-Elgin Water Authority) ("*Lugoff-Elgin*"), a special purpose district, and Bethune Rural Water Company ("*Bethune*"), a non-profit rural water company. Cassatt provides water service to the northern portion of the County (areas east of the Wateree River and west of the Little Lynches River). Lugoff-Elgin provides service to certain areas in the western portion of the County (west of the Wateree River). Bethune provides water service to small area in the northeastern portion of the County, including the Town of Bethune. In addition, the voters in the County have approved by referendum the creation and operation by the County of a water utility, although the County has not commenced water utility operations.

The only other provider of centralized wastewater service in the County is Kershaw County, which operates a system serving certain portions of the County west of the Wateree River. At present, however, the County only provides sewer service to several industrial customers and to no residential customers. The County also operates a system east of the Camden City limits along Hwy 1. The County collects this sewer and pumps it to the City. The City has agreed to treat up to 50,000 GPD of County sewer under the terms of a 20-year agreement that automatically renews for subsequent five-year terms unless notice is provided 3-year prior to the next occurring termination date. No notice of termination was provided for 2026 so the agreement will automatically renew for a new five-year period in April 2026.

[3] The Electric Cooperative Act of 2004 (the "*Cooperative Act*") redefined the authority of a municipal electric providers to serve customers in newly annexed and incorporated areas. The Cooperative Act allowed electric cooperatives serving a location in a newly annexed or incorporated area to continue serving the area. The Cooperative Act prevented the cooperative from extending services to a location unless the location was within the municipal limits on the effective date of the Cooperative Act and the cooperative was the principle supplier of electricity to the municipality or the cooperative had the legal right to serve the premise. The cooperative is empowered to serve if the premise is located within the annexed or incorporated area after the effective date of the Cooperative Act and is within an area assigned by the PSC in Act No. 432 of 1969 or the area is unassigned by the PSC and the annexation or incorporation constitutes granting consent by the municipality. The cooperative is not authorized to provide service to any location first requiring service in the area unless the municipality grants consent by ordinance. The cooperative cannot provide service to any location or corridor in the area assigned by the commission to an electric provider other than a cooperative after the effective date of the Cooperative Act.

CERTAIN FISCAL MATTERS

City Revenue Sources

General fund revenues of the City come from several sources including: *ad valorem* taxes; licenses and permits; intergovernmental revenues; local and state accommodations taxes; local hospitality taxes; charges for services; contributions; grants; interest; and miscellaneous sources.

Ad Valorem Taxes. A significant source of City operating revenues comes from *ad valorem* taxes paid by taxpayers within the City. A discussion of general tax information, tax rates and millage levied upon taxpayers of the City for City purposes is set forth in "PROPERTY ASSESSMENT AND TAXATION" below. All the revenues from *ad valorem* taxes are general fund revenues and may therefore be used by the City on an unrestricted basis. For the five Fiscal Years shown below, the City has received the following amounts as revenues from *ad valorem* taxes (both real and personal property) revenue:

Fiscal Year	Taxes
2021	$1,465,454
2022	1,090,771
2023	1,502,106
2024	2,195,526
2025	2,879,918

Source: City's audited financial statements for Fiscal Years 2021-2025.
Note: The foregoing tax collection values do not tie out to the table of tax collections in "PROPERTY TAXATION AND ASSESSMENT – Tax Collections*"* hereinbelow due to timing discrepancies regarding the accounting methodology for how the revenue source was booked by the City's accountant (and reported in the City's audited financial statements) and the reports prepared by the County Treasurer.

Revenues from Licenses and Permits. These revenues are derived from fees and services for business licenses, building permits, telecommunications licenses, permits, and recreation. For the five Fiscal Years shown below, the City has received the following amounts as revenues from fees, licenses and permits allocable to the general fund:

Fiscal Year	Amount
2021	$2,860,072
2022	2,924,346
2023	3,026,710
2024	4,078,707
2025	4,160,647

Local Option Sales Tax. As discussed under "PROPERTY ASSESSMENT AND TAXATION—Sales Tax Referendum," the City receives a portion of the one percent county-wide local option sales tax ("*Local Option Sales Tax*"). The following table sets forth the amounts of Local Option Sales Tax revenues received by the City during the Fiscal Years 2021 through 2025.

Fiscal Year	Local Option Sales Tax
2021	$1,875,311
2022	2,806,026
2023	2,767,648
2024	2,407,703
2025	2,156,434

Utility Fund Transfers. The City adopted financial policies on May 12, 2015, as amended on November 18, 2025 (the "*Financial Policies*"). Under the section of the Financial Policies governing transfers (the "*Transfer Policy*")[4], certain monies from utility fund established for the System (the "*Utility Fund*") shall be transferred to the City's general fund on the basis of an annual transfer methodology that consists of: (1) a cost of service allocation, (2) a franchise fee, and (3) a payment in lieu of taxes ("*PILOT*").

[4] Prior to the recent amendment, the Transfer Policy was set at an amount not to exceed 20% of the unreserved fund equity of the System (amount invested in capital assets, net of debt service), as full compensation for indirect and overhead-related costs associated with various governmental departments incurring costs and expenses on behalf of the System's operations as well as lost taxes and franchise fees.

- Cost of Service Allocation: The Utility Fund reimburses the general Fund each year for City services that support utility operations (such as administration, finance, IT, HR, and planning). The amount is based on measurable factors like staff time, facility use, materials, and services provided, treating the City's combined utility as if it were a separate, third-party entity.

- Franchise Fee: The Utility Fund pays an annual franchise fee to compensate the City for use of public rights-of-way and City property, comparable to what a private utility would pay. The fee is set at 5% of the combined utility's gross revenues within the City and is reviewed annually to ensure consistency with industry standards and applicable law.

- PILOT: The Utility Fund pays an annual amount approximating the *ad valorem* property taxes that would be owed if the combined utility were privately owned. The PILOT is calculated based on the Utility's net capital assets, applicable assessment ratio, City millage rate, and the portion of assets located within City limits, and is reviewed annually.

The following table sets forth the amount of the annual transfer for the last five fiscal years, plus those budgeted for Fiscal Year 2026 and anticipated for Fiscal Year 2027.

Fiscal Year	Interfund Transfers
2021	$2,066,000
2022	2,066,000
2023	2,066,000
2024	2,266,000
2025	2,266,000
2026*	2,266,000
2027**	3,586,997

* Budgeted.
** Anticipated based on the terms of the Financial Policies, as amended.

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Summary of General Fund Operations

The following table sets forth a summary of the City's general fund operations for each of the Fiscal Years shown. This summary has been prepared from the audited financial statements of the City for Fiscal Years 2021-2025 (each a "*Fiscal Year*"; references to a Fiscal Year herein being reference to the 12-month period ending on June 30 of the year indicated). The audited financial statements of the City (the "*Financial Statements*") for Fiscal Year 2025, included as Appendix B to the Official Statement (the "*2025 Financial Statements*"), have been audited by Cantey, Tiller, Pierce & Green, LLP, Camden, South Carolina, as stated in their report included as part of Appendix B.

	Fiscal Year				
	2021	2022	2023	2024	2025
Revenues					
Taxes	$3,340,765	$3,896,797	$4,269,754	$4,603,229	$5,036,352
Licenses and permits	2,860,072	2,924,346	3,026,710	4,078,707	4,160,647
Intergovernmental revenues	1,149,052	860,571	751,909	887,043	970,565
Charge for services	2,036,216	2,226,630	2,276,319	2,379,133	2,919,825
Fines and forfeitures	100,562	137,693	140,421	170,052	300,883
Grants	-	-	-	-	306,786
Miscellaneous	300,004	550,472	909,213	792,048	880,738
Total revenues	9,786,671	10,596,509	11,374,326	12,910,212	14,575,796
Expenditures					
General government	2,958,222	2,922,954	3,206,824	3,487,580	3,764,357
Public safety	5,296,980	6,590,484	6,378,760	6,318,666	6,266,181
Highways and streets	1,820,673	1,180,563	1,179,243	1,369,281	1,396,307
Sanitation	1,344,659	1,801,896	1,743,124	1,611,294	2,046,871
Culture and recreation	311,038	404,956	392,730	305,711	300,368
Non-departmental	451,485	473,538	620,433	764,575	557,032
Total expenditures	12,183,057	13,374,391	13,521,114	13,857,107	14,331,116
Excess (Deficiency) of revenues over expenditures	(2,396,386)	(2,777,882)	(2,146,788)	(946,895)	244,680
Other Financing Sources (Uses)					
Capital financing	123,000	1,345,500	875,000	-	-
Sale of assets	-	-	1,829,684	47,633	61,873
Transfer In	2,066,000	2,066,000	2,066,000	2,266,000	2,266,000
Total Other Financing Sources (Uses)	2,189,000	3,411,500	4,770,684	2,313,633	2,327,873
Net Change in Fund Balances	(207,386)	633,618	2,623,896	1,366,738	2,572,553
Fund Balances, Beginning of Year	5,234,314	6,972,647	7,606,265	10,230,161	11,432,184
Prior Period Adjustment	1,945,719	-	-	(500,000)	-
Fund Balances, End of Year	$6,972,647	$7,606,265	$10,230,161	$11,096,899	$14,004,737

Note: The change in Net Position between the end of Fiscal Year 2024 and the beginning of Fiscal Year 2025 was adjusted to account for a change in the way Local Option Sales Tax collections were allocated by the City. Since the change was applied fully within the governmental fund, no prior period adjustment was made.

Summary of System Revenues and Expenses

The table below provides a summary of historical revenues and expenses of operations of the System for Fiscal Years 2021 through 2025. This summary has been prepared from the audited financial statements of the City for the applicable Fiscal Years. The 2025 Financial Statements are attached hereto as Appendix B.

	Fiscal Year				
	2021	2022	2023	2024	2025
Operating Revenues					
Electric Revenue	$22,223,505	$22,781,626	$29,775,663	$28,033,501	$31,213,949
Water Revenue	5,297,409	4,445,268	4,269,007	5,184,269	5,263,017
Sewer Revenue	2,653,038	2,820,342	2,978,455	4,940,269	4,569,054
Total Operating Revenues	30,173,952	30,047,236	37,023,125	38,158,039	41,046,020
Operating Expenses					
Electric Direct Cost	14,005,988	19,654,544	20,618,426	15,682,250	18,849,952
Electric Depreciation	1,765,618	2,019,421	1,976,871	2,025,876	2,126,694
Water Direct Cost	2,356,632	2,269,328	2,098,836	2,050,296	2,209,816
Water Depreciation	2,489,251	1,247,066	1,290,458	1,345,784	1,378,297
Sewer Direct Cost	1,512,502	1,412,216	(76,058)	787,358	543,591
Sewer Depreciation	889,968	2,306,228	2,335,587	2,366,145	2,492,503
Total Operating Expenses	23,019,959	28,908,803	28,244,120	24,257,709	27,600,853
Operating Income	$ 7,153,993	$1,138,433	$8,779,005	$13,900,330	$13,445,167
Non-Operating Revenue (Expenses)					
Interest Income	7,623	14,990	298,334	393,079	519,946
Interest Expense	(641,052)	(953,424)	(600,392)	(1,163,217)	(530,722)
Loss on Disposal of Assets				-	-
Other Revenue (Expense)[1]	1,492,147	1,073,807	4,906,439	1,260,317	2,665,677
Total Non-Operating Revenue (Expenses)	858,718	135,373	4,604,381	490,179	2,654,901
Income (loss) before Contributions and Transfers	8,012,711	1,273,806	13,383,386	14,390,509	16,100,068
Operating Transfer and Contributions					
Transfers to Other Funds	(2,066,000)	(2,066,000)	(2,066,000)	(2,266,000)	(2,266,000)
Change in Net Position	5,946,711	(792,194)	11,317,386	12,124,509	13,834,068
Net Position, Beginning of Fiscal Year	55,215,288	61,161,999	60,369,805	72,769,717	84,755,889
Prior Period Adjustment	-	-	1,082,526	(119,400)	-
Net Position, End of Fiscal Year	$61,161,999	$60,369,805	$72,769,717	$84,774,826	$98,589,957

[1] Includes grant income.

Note: The change in Net Position between the end of Fiscal Year 2024 and the beginning of Fiscal Year 2025 is attributable to the recognition of accrued vacation. See Note 14 in Financial Statement of the City for Fiscal Year 2025. No prior period adjustment was made.

Management's Discussion and Analysis

General. The City's financial condition has improved over the last five years. The City will continue to materially improve the quality and efficiency of municipal services and enhance the overall quality of life for residents in the City and surrounding community. The City further believes that these vitally necessary public safety and governmental infrastructure investments will support and accommodate, and are likely to encourage, additional growth within the community.

Historic Financial Performance. The general fund of the City experienced a 48.9% increase in total revenues from Fiscal Year 2021 to Fiscal Year 2025. The majority of the increase in revenue is attributable to growth/development, and tax/fee increases. The general fund of the City experienced a 17.6% increase in total expenditures from Fiscal Year 2021 to Fiscal Year 2025. The majority of the increase in expenditures is a result of inflation as well as increased costs attributable to personnel and benefits. The City's net position in the governmental fund has increased by approximately $7.032 million or more than 200% from Fiscal Year 2021 to Fiscal Year 2025. This positive growth in financial condition has occurred as a result of economic growth and

proactive fiscal management. Growth in the tax base, along with targeted tax/fee adjustments, increased revenues and outpaced expenditure growth, strengthened reserves and supported ongoing service and capital needs.

The Utility Fund for the System experienced a 36% increase in total revenues from Fiscal Year 2021 to Fiscal Year 2025. The majority of the increase in revenue is attributable to growth/development and rate increases. The Utility Fund experienced a 19.9% increase in total expenditures from Fiscal Year 2021 to Fiscal Year 2025. The majority of the increase in expenditures is a result of inflation and direct electric costs. The City's net position in the Utility Fund has increased by approximately $37.427 million or close to 61.2% from Fiscal Year 2021 to Fiscal Year 2025. This positive growth in financial condition has occurred as a result of customer growth and targeted rate increases, resulting in higher operating revenues and strengthened net position.

The City's combined net position (governmental and proprietary) increased by $44.46 million or 65.25% from Fiscal Year 2021 to Fiscal Year 2025 (after certain restatements). Much of this growth is attributable to economic growth/development, an expanding tax base, and strategic tax/fee and rate adjustments that collectively enhanced revenues and strengthened the City's overall financial condition and capacity.

Fiscal Year 2025. Governmental revenues increased by 12.9% from Fiscal Year 2024 to Fiscal Year 2025. The majority of the increase in revenue is from growth in the tax base and grant receipts. Governmental expenditures increased by 3.4% from Fiscal Year 2024 to Fiscal 2025. The majority of this increase was attributable to personnel and inflationary costs.

Proprietary revenues increased by 7.57% from Fiscal Year 2024 to Fiscal Year 2025. The majority of the increase in revenue is from increased electric demand. Proprietary expenditures increased by 13.7% from Fiscal Year 2024 to Fiscal 2025. The majority of this increase was attributable to direct electrical costs.

The net position of the general fund increased by $1.665 million, which the City considers a strong indicator of its sustainability during volatile times. Further, the City's total net position (inclusive of its Utility Fund) amounted to $112.59 million for Fiscal Year 2025 as compared to a balance of $95.871 million in Fiscal Year 2024.

Fiscal Quarters Ended September 30, 2025 & December 31, 2025. Performance for the quarters ended September 30, 2025 and December 31, 2025 is consistent with the corresponding prior-year periods, with year-over-year revenue trends remaining on target. Continued growth and an expanding tax base have supported increases in revenues, contributing to a strong overall net position in both governmental and utility funds. Expenditures are tracking in line with the prior Fiscal Year, with spending levels remaining consistent with budgeted expectations and aligned with current service and operational needs.

Transfer Policy. The Financial Policies provide for the transfer of funds from the Utility Fund to the City's general fund. The annual transfer amount is set by the Financial Policies each year and is based on a cost of services allocation, a franchise fee, and a PILOT (as discussed in "CERTAIN FISCAL MATTERS – City Revenue Sources – *Interfund Transfer*" herein). Transfers were historically set at $2,066,000. That amount was increased to $2,266,000 in Fiscal Year 2024, and was sustained at that amount in Fiscal Year 2025. The same amount is anticipated for transfer in Fiscal Year 2026. Under the revised Transfer Policy, the transfer amount, based on the new calculation methodology, is anticipated to significantly increase by approximately $1,320,000 to $3,586,997 in Fiscal Year 2027, which increase is anticipated to significantly support the payment of the annual debt service on the Series 2026 Bonds.

Historical Fund Balance

The City, consistent with the recommendations of the Government Finance Officers Association, has an informal practice to maintain its unassigned general fund reserve level in an amount equal to 60 days of budgeted expenditures to enable the City to meet one-time expenditures and mitigate financial risk. Should unassigned fund balance fall below this level, staff will recommend that City Council adopt a plan to restore the available fund balance to or above the threshold in subsequent years. The City's unassigned fund balances at June 30, 2024, and June 30, 2025, were $11,096,899 and $14,004,737, respectively, which are 85.9% and 96.1% of actual revenues for the respective Fiscal Years. The table below shows historical unassigned fund balances, which reflects unassigned fund balance for the general fund after all budgeted or necessary transfers have been made for the Fiscal Years shown:

Fiscal Year	Fund Balance
2021	$6,972,647
2022	7,606,265
2023	10,230,161
2024	11,096,899
2025	14,004,737

Historical Coverage

The following table sets forth summaries of Gross Revenues, Operation and Maintenance Expenses, Net Earnings (including capacity fees and other charges) and the Annual Principal and Interest Requirements, all as defined in the City's Master Bond Ordinance for the issuance of System revenue bonds dated February 11, 2014* (the "*Bond Ordinance*"), for each of the Fiscal Years 2021 through 2025. The summary information for Fiscal Years 2021-2025 has been compiled by the City from the City's audited results of operations for the applicable periods.

	Fiscal Year				
	2021	2022	2023	2024	2025
Gross Revenues					
Operating Revenues	$30,173,952	$30,047,236	$37,023,125	$38,158,039	$41,046,020
Interest Income	7,623	14,990	298,334	393,079	519,946
Other Revenue	1,492,147	1,073,807	983,943	1,193,429	1,325,125
Total	31,673,722	31,136,033	38,305,402	39,744,547	42,891,091
Operation and Maintenance Expenses					
Operating Expenses	17,875,122	23,336,089	22,641,204	18,519,893	21,603,359
Other Expense	641,052	953,424	600,392	1,163,217	530,722
Depreciation and Amortization	5,144,837	5,572,714	5,602,916	5,737,806	5,997,494
Total	23,661,011	29,862,227	28,844,512	25,420,916	28,131,575
Net Earnings	13,798,600	7,799,944	15,664,198	21,224,654	21,287,732
Transfers	(2,066,000)	(2,066,000)	(2,066,000)	(2,266,000)	(2,266,000)
Net Earnings After Transfer	11,732,600	5,733,944	13,598,198	18,958,654	19,021,732
Annual Principal and Interest Requirement	$ 6,810,498	$ 6,751,387	$ 6,437,060	$ 6,438,337	$ 6,761,400
Coverage Pursuant to Ordinance	203%	116%	243%	330%	315%
Coverage After Transfer	172%	85%	211%	294%	281%

* Governing the issuance of revenue bonds secured by the revenues of the System.

Note: The City did not comply with its annual rate covenant for Fiscal Year 2022 as required by the Bond Ordinance. In accordance with the Bond Ordinance, the City engaged Raftelis Financial Consultants, Inc., as its Consulting Engineer, to prepare a report recommending actions that will provide sufficient revenues in the following Fiscal Year for the City to meet the required coverage. The report was prepared and released to the City on May 11, 2023. The City subsequently met coverage in Fiscal Year 2023 and subsequent years. Also, there are some inconsistencies in the way the City reported historical coverage for Fiscal Years 2021-2024 as required by the Disclosure Requirements (see "Continuing Disclosure" herein); these disclosures have been updated to conform to the foregoing table.

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Budget Procedure and Accounting Policies

The State Constitution requires the City to adopt a balanced budget for each Fiscal Year, which budget must provide for sufficient income to meet its estimated expenses for each year. Whenever ordinary expenses of a city for any Fiscal Year shall exceed its income, the governing body of the city is required to provide for levying a tax in the ensuing year sufficient, with all other sources of income, to pay the deficiency in the preceding Fiscal Year, together with the estimated expenses for the ensuing Fiscal Year. Statutory law of the State requires the City to adopt prior to the beginning of each Fiscal Year operating and capital budgets identifying the sources of anticipated revenues, including taxes, necessary to meet the financial requirements of the budgets so adopted.

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the Fiscal Year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A least one public hearing is conducted to obtain taxpayer comments.

3. Prior to June 30, the budget is legally enacted through passage of an ordinance (which requires two readings not less than six calendar days apart).

4. The City Manager is authorized to transfer budgeted amounts between departments; however, revisions that alter the total expenditures of any fund must be approved by the City Council. Thus, the legal level of control is at the fund level.

5. The City employs formal budgetary integration as a management control device during the year and generally adopts an annual appropriated budget for all funds other than fiduciary fund types. The budgets are adopted annually on a basis consistent with generally accepted accounting principles.

6. All annual appropriations lapse at year end, except appropriations for capital projects, which are authorized for the entire construction period for each project, and certain grant appropriations, which are authorized for the term of the grant.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds. At June 30 of each year, all open purchase orders lapse. On July 1, all open purchase orders are then reinstated against the new Fiscal Year appropriation.

The City's staff is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City and the System are protected from loss or unauthorized use and to ensure that adequate accounting data is compiled to allow for preparation of financial statements of the City in conformity with accounting principles generally accepted in the United States of America.

Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the Fiscal Year. The Financial Statements of the City are annually audited in conformity with accounting principles generally accepted in the United States of America as required Section 5-7-240 of the South Carolina Code. The 2025 Financial Statements of the System for the year ended June 30, 2025, were audited by Cantey, Tiller, Pierce & Green, LLP, Camden, South Carolina, as further described in "APPENDIX B — AUDITED FINANCIAL STATEMENTS OF THE CITY OF CAMDEN FOR THE FISCAL YEAR ENDED JUNE 30, 2025" herein and presented within the 2025 Financial Statements as part of the City's Fiscal Year 2025 Annual Comprehensive Financial Report.

General Fund Budgets

The following is a summary of the City's general fund budget for Fiscal Year 2025, with a comparison to actual revenues and expenditures, and a summary of its budget for Fiscal Year 2026.

	Fiscal Year 2025		Fiscal Year 2026
	Budget	Actual	Budget
Revenues			
Taxes[1]	$ 4,644,200	$ 5,036,352	$4,560,000
Licenses and permits	3,252,200	4,160,647	3,638,700
Intergovernmental revenues	640,000	970,565	1,175,000
Charge for services[2]	2,645,365	2,919,825	2,816,343
Fines and forfeitures	130,000	300,883	200,000
Federal Grants	-	306,786	-
Miscellaneous	536,400	880,738	904,002
Total revenues	11,848,165	14,575,796	13,294,045
Expenditures			
General government	3,366,156	3,764,357	3,586,509
Public safety	6,610,921	6,266,181	6,983,991
Highways and streets	1,642,716	1,396,307	1,888,609
Sanitation	1,903,870	2,046,871	1,927,288
Culture and recreation	349,612	300,368	391,352
Non-departmental	943,890	557,032	782,263
Total expenditures	14,817,165	14,331,116	15,560,012
Excess (Deficiency) of revenues over expenditures	(2,969,000)	244,680	(2,265,967)
Other Financing Sources (Uses)			
Capital financing	-	-	-
Sale of assets	703,000	61,873	-
Transfer In	2,266,000	2,266,000	2,266,000
Total Other Financing Sources (Uses)	2,969,000	2,327,873	2,266,000
Net Change in Fund Balances	-	2,572,553	-
Fund Balances, Beginning of Year	-	11,432,184	-
Fund Balances, End of Year	-	$14,004,737	-

[1] Includes Local Option Sales Tax revenues.
[2] Includes sanitation and fire services.
Note: Sanitation services (collections and expenditures) are budgeted separately from the City's general fund, but have been included herein due to the inclusion of sanitation collections and expenses in the City general fund under for purposes of the Fiscal Year 2025 financial statements.

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Utility Fund Budgets

The following table sets forth the final budgeted revenues and expenses of the System for Fiscal Year 2025, the actual results for such Fiscal Year, and the currently budgeted revenues and expenses for Fiscal Year 2026.

	Fiscal Year 2025		
	Budget	Actual	Fiscal Year 2026 Budget
Operating Revenues			
Electric Revenue	$30,924,453	$31,213,949	$31,360,423
Water Revenue	5,627,000	5,263,017	5,115,000
Sewer Revenue	3,903,547	4,569,054	4,990,625
Total Operating Revenues	40,455,000	41,046,020	41,466,048
Operating Expenses			
Electric Direct Cost	24,908,761	18,849,952	24,905,646
Electric Depreciation[1]	-	2,126,694	-
Water Direct Cost	3,567,618	2,209,816	5,268,246
Water Depreciation[1]	-	1,378,297	-
Sewer Direct Cost	3,199,221	543,591	3,833,709
Sewer Depreciation[1]	-	2,492,503	-
Total Operating Expenses	31,675,600	27,600,853	34,007,601
Operating Income	8,779,400	13,445,167	7,458,447
Non-Operating Revenue (Expenses)			
Interest Income	35,000	519,946	300,000
Interest Expense	(7,335,400)	(530,722)	-
Federal Grant Income	-	1,340,552	-
Other Revenue (Expense)	787,000	1,325,125	1,308,400
Total Non-Operating Revenue (Expenses)	(6,513,400)	2,654,901	1,608,400
Income (loss) before Contributions and Transfers	2,266,000	16,100,068	9,066,847
Operating Transfer and Contributions			
Transfers to Other Funds	(2,266,000)	(2,266,000)	(2,266,000)
Change in Net Position	-	13,834,068	-

[1] Depreciation is not budgeted, however, it is accounted for in the financial statements for the applicable Fiscal Year.

Permitted Investments

Pursuant to Section 6-5-10 of the South Carolina Code, the City may invest money subject to its control and jurisdiction in investments specified under said section or the South Carolina Pooled Investment Fund. Section 6-5-10 of the South Carolina Code provides for the following investments: (1) obligations of the United States and its agencies; (2) general obligations of the State or any of its political units; (3) savings and loan associations to the extent that the same are insured by an agency of the federal government; (4) certificates of deposit and repurchase agreements which are collaterally secured by securities of the type described in subsections (1), (2) or (3) provided above; and (5) certain no load open-end or closed-end management type investment companies or trusts which are, in essence, an indirect investment in investments of the kind described in (1) and (2) above or repurchase agreements collateralized by such investments. The South Carolina Pooled Investment Fund is managed by the South Carolina State Treasurer.

Retirement Plans and Fringe Benefits

SCRS and PORS

City employees participate in either the South Carolina Governmental Employees' Retirement System ("*SCRS*") or the South Carolina Police Officer Retirement System ("*PORS*"), depending on their particular job duties. Both plans are a cost-sharing, multiple employer public employee retirement program administered by the South Carolina Public Employee Benefit Authority ("*PEBA*"). Actuarial determinations are made by the administrator for each plan, and State statutes determine the benefits and the level of contributions required by both employees and employers.

The South Carolina General Assembly enacted Act No. 13 of the Acts and Joint Resolutions of the General Assembly of South Carolina for the year 2017 ("*Act No. 13*"), which made significant changes to State law with respect to SCRS and PORS. Current impacts are as follows:

- The City's, as employer, contribution rate for SCRS, after years of incremental adjustments, is now capped at a rate of 18.56% of covered payroll (but see bullet 4 below).

- The City's, as employer, contribution for PORS, after years of incremental adjustments, is now capped at a rate of 21.24% of covered payroll (but see bullet 4 below).

- Increased and set the employee contribution rate for SCRS at 9% and for PORS at 9.75%.

- After June 30, 2027, authorizes the decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of SCRS assets and the actuarial value of SCRS liabilities is equal to or greater than 85%.

- Effective July 1, 2017, lowered the assumed annual rate of return from 7.5% to 7.25% and provided for a reset of the assumed rate of return every four years. The rate was reset to 7.0% in Fiscal Year 2022 and confirmed at 7.0%. for the July 1, 2025 actuarial valuation.

- Reduced the funding period (or amortization period) of unfunded liabilities, beginning in Fiscal Year 2018, from 30 years to 20 years for Fiscal Year 2028 and thereafter.

Presently, SCRS and PORS employee-members are required to contribute 9.00% and 9.75% of their annual covered salaries, respectively, which includes .15% and .20%, respectively, for accidental death and group life insurance.

Total employer retirement contributions to the SCRS and PORS paid by the City (equal to 100% of required contributions) for Fiscal Years 2021 through 2025 are shown in the following table:

Fiscal Year	Total SCRS Contribution	Total PORS Contribution
2021	$812,367	$560,865
2022	856,253	621,839
2023	875,381	681,202
2024	870,692	656,274
2025	995,586	726,086

GASB 68. Pursuant to Governmental Accounting Standards Board ("*GASB*") Statement No. 68, the City is required to report a net pension liability for its participation in the SCRS and PORS. The City's proportionate share of the net pension liabilities is based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At the July 1, 2024 measurement date, PEBA reported the City's proportionate share of the collective net pension liability to be .0341% for SCRS and .1931% for PORS and liabilities of $8,467,315 and $4,179,781 for its proportionate shares of the SCRS and PORS net pension liabilities at June 30, 2025, respectively.

Further Information. Any assessment of the City's retirement plan and post-employment benefits should be made with reference to the more detailed description thereof in the Financial Statements including Note 7 therein for the Fiscal Year 2025, appended hereto as Appendix B.

Other Post-Employment Benefits

GASB 75. GASB No. 75 ("*GASB 75*") generally requires that state and local governmental employers account for other post-employment benefits ("*OPEB*") on an accrual basis similar to the manner that they currently account for pensions. GASB 75 also requires disclosure of information about the plans in which an employer participates, the funding policy followed and the actuarial valuation process and assumptions. The City implemented GASB 75 in Fiscal Year 2018.

Post-Retirement Health Care Benefits. The City provides certain other post-employment benefits ("*OPEB*") as part of the total compensation offered to qualified employees. The City currently allows those employees hired prior to May 1993 who had retired with more than 10 years of service, as well as qualifying dependent units, to continue to participate in the City's health, dental, life and disability programs. The City pays a stipend for all qualifying retirees and their spouses with an annual stipend for supplemental medical costs. In Fiscal Year 2025, the stipend was $3,096. As of July 1, 2024, the valuation date, six active employees, 47 retirees, 21 retiree spouses, and 13 beneficiaries met the eligibility requirement for the plan.

The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The City (through the Mayor and Council) currently administers the program and maintains the authority for establishing benefits and funding policy. The City's contributions paid on behalf of the City employees for such retiree health benefits totaled $458,132 for Fiscal Year 2025. See Note 6 to the 2025 Financial Statements in Appendix B hereof for more information with respect to the City's post-employment benefits.

Funding Status. The City contributes to the retiree health plan on a pay-as-you-go basis and therefore, no trust fund has been established which would maintain plan assets.

Amount of and Changes in Retiree Health Plan OPEB Liability. Changes in OPEB liability are as follows from Fiscal Year June 30, 2024 to June 30, 2025:

TOTAL RETIREE HEALTH PLAN OPEB LIABILITY—June 30, 2024	$3,871,899
Service cost	18,125
Interest on net obligation	146,598
Difference between expected and actual experience	(326,671)
Changes of assumptions or other inputs	(351,384)
Net change in total Retiree Health Plan OPEB liability	836,049
TOTAL RETIREE HEALTH PLAN OPEB LIABILITY—June 30, 2025	$3,035,850

Further Information. Any assessment of the City's retirement plan and post-employment benefits should be made with reference to the more detailed description thereof in the Financial Statements for the Fiscal Year 2025, appended hereto as Appendix B, and Note 6 therein.

Cyber Security

The City's information technology department utilizes a number of approaches to secure data and systems from cyber-attacks. These include staff education and training to prevent breaches and reduce the number of computer viruses, and deployment of software and hardware to detect and eliminate viruses and malware while allowing and monitoring authorized access. Also see "INVESTMENT CONSIDERATIONS – Cyber-Security" within the Official Statement. Additionally, the City currently maintains an insurance policy for loss stemming from cyber security related claims. In September 2019, the City suffered a network intrusion and ransomware attack via a compromised vendor. Through a remote access tool, some police department workstations and servers were ransomed. The City did not pay the ransom and was able to restore the impacted servers and workstations using backups.

Certain Risks and Insurance

The City is exposed to various risks: loss related to torts; theft of, damage to and destruction of its assets; errors and omissions; and natural disasters. The Constitution and statutes of the State, as interpreted by the General Assembly in promulgating the South Carolina Tort Claims Act (the "*Tort Claims Act*"), codified at Title 15, Chapter 78 of the South Carolina Code, provide, generally, that it is the public policy of the State that, while historically governmental entities have been exempt from tort liability, total immunity is not in the public interest, nor is unlimited liability. The Tort Claims Act waives sovereign immunity of governmental bodies for tort liability while also providing specific, enumerated exceptions in certain circumstances; generally, a claim of immunity from liability for damages for negligent or intentional tortuous actions must be raised by affirmative defense. The Tort Claims Act also imposes limits on the amount of damages which may be received from a governmental entity by one person, or for one accident ($300,000 per incident/person and $600,000 per occurrence/aggregate), and provides that no punitive damages may be recovered. Immunity is provided for a number of discretionary governmental acts, and is not waived for certain other actions.[5] In addition, the City may not be able to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of federal antitrust laws by the City in the exercise of its delegated powers. Moreover, the City may be subject to certain state claims under the South Carolina Whistleblower Act, S §§ 8-27-10–50 of the South Carolina Code, and under any other acts in which an express waiver of sovereign immunity is granted.

The City has purchased commercial insurance, through which insurance is provided for risks of loss and liability. There has been no reduction in the City's insurance coverage in the past five years and there were no settlements exceeding insurance coverage during the same period. The City is periodically the subject of litigation by a variety of plaintiffs. The City's management believes that such amounts claimed by these plaintiffs, net of applicable insurance coverage, are immaterial.

PROPERTY ASSESSMENT AND TAXATION

Property Assessment

Constitutional Assessment Ratios. Article X, Section 1 of the State Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property:

(1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business: 10.5% of fair market value. [6] 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. See "- Payments in Lieu of Taxes" below.

[5] Section 15-78-40 of the South Carolina Code. Tort liability of State, agency, political subdivision, or governmental entity, generally. The State, an agency, a political subdivision, and a governmental entity are liable for their torts in the same manner and to the same extent as a private individual under like circumstances, subject to the limitations upon liability and damages, and exemptions from liability and damages, contained herein.

[6] The General Assembly enacted Act No. 228 of 2022, known as the "Comprehensive Tax Cut Act of 2022" ("*Act No. 228*"), the provisions of which reduced the effective assessment ratio for manufacturers to 6% (exempting 42.8571% of property taxes) effective for the 2022 tax year with no phase-in period. Act No. 228 is intended to benefit small manufacturers or older manufacturers that have not or cannot enjoy the benefits of payments in lieu of taxes (see "– Payments in Lieu of Taxes" below). Act No. 228 requires political subdivisions and school districts to be fully reimbursed by the State for the new exemption in the same manner as from the Trust Fund for Tax Relief. Under Act No. 228, to the extent that the aggregate value of the exemption exceeds $170 million in any year, the amount of the exemption is required to be decreased so that the total value of the exemption for the year is reduced to $170 million. As a result, if the value of the exemption exceeds $170 million, the effective assessment ratio for affected manufacturers could be higher than 6%. S.B. No. 439 of 2025 proposes to increase the exemption from $170 million to $300 million. The bill passed the Senate in May 2025, and been referred to the House Committee on Ways and Means.

(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 ten 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: locked-in at 1987 assessed value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit);

(8) Motor vehicles: 6.0%; and

(9) All other personal property: 10.5% of fair market value.[7]

The application of the above ratios to the appraised value results in an assessed value to which the tax rate, expressed in mills, is applied.

Property Appraisal and Reassessment. The South Carolina Department of Revenue ("*DOR*") has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County. Under law enacted by the General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. Under present law, reassessment within a county may be delayed upon action of the governing body of such county for one year and may be further delayed by legislative enactment at the State level. The latest reassessment in the County was recently completed and will be effective for taxes levied in Fiscal Year 2027.

Reassessment Valuations Limited. The growth in valuation of a parcel of real property attributable to reassessment may not exceed 15% for each reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, upon the sale of any parcel of real property or other "assessable transfer of interest," including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value, subject to the exception described below. The foregoing limitation on increases in assessed value may materially affect the growth in the County's assessed value, and, thus, debt limit, over time. Act No. 57 of the Acts and Joint Resolutions of the General Assembly for the year 2011 ("*Act No. 57*") affects the treatment of "assessable transfers of interest" regarding properties assessed at 6% of market value, which classification generally includes second homes and commercial property. Act No. 57 provides that second homes and commercial properties are given a 25% exemption at the point of sale, limited by the property's value as determined by the most recent reassessment. Owner-occupied homes will continue to be reassessed to then-current market value at the time of sale or other assessable transfer of interest.

Responsibility for Assessment. The County Assessor appraises and assesses all the real property and mobile homes located within each county and certifies the results to the County Auditor (with the exception of

[7] Act No. 109 of 2026, which was signed by the Governor on March 30, 2026 and is effective on January 1, 2027, lowers the property tax on boats registered and titled in South Carolina by 42.8571% statewide (essentially reducing the assessment ratio from 10.5% to 6.0%), except for houseboats, and eliminates the titling and taxing of all outboard motors. The property tax reduction must be phased in over three equal installments and would be applicable for property tax years beginning after 2026.

manufacturer's real property which is certified by the DOR). The County Auditor appraises and assesses all motor vehicles (except for large trucks, which are appraised and assessed by the DOR), marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment. Each year, upon completion of its work, the DOR certifies its assessments to the County Auditor who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection of taxes. With the exception of motor vehicles, the State tax control date is December 31st for the ensuing tax year. The State has no statewide property tax.

Property Taxation

Generally. Property taxes are set to help raise sufficient revenue to support a budget duly adopted by the governing body of a political subdivision, considering all available revenue sources, and to pay debt service on general obligation bonds. Pursuant to tax reform enacted by the General Assembly in 2006, and now codified at Section 6-1-320 of the Code of Laws of South Carolina 1976, as amended ("*Act No. 388*"), the tax rate for operational millage levied as part of the budgeting process is limited as described below under "—Operating Millage Limited." There is no limitation on the tax rate that may be imposed to provide for debt service payments for lawfully issued general obligation bonds. *See* "—Unlimited Debt Service Millage" below.

Operating Millage Limited. Pursuant to Act No. 388, the tax rate for the operating budget, expressed in mills, cannot be raised over a prior year's rate by a percentage that exceeds the sum of (a) the increase in the Consumer Price Index as published by the United States Department of Labor, Bureau of Statistics, plus (b) the rate of population growth of the political subdivision or school district, as determined by the Office of Research and Statistics of the South Carolina Revenue and Fiscal Affairs Office. However, recent legislative enactments allow for increases in operating millage to the extent allowed but not previously imposed for the three property tax years preceding the year to which the current limit applies. The operational millage limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision in response to the following:

(1) a deficiency for the preceding year;

(2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war or riot;

(3) compliance with a court order or decrees;

(4) taxpayer closure due to circumstances outside the control of the governing body that decreases by 10% or more the amount of revenue payable to the taxing jurisdiction in the preceding year;

(5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government;

(6) the purchase of certain property or development rights near military bases; or

(7) the purchase of capital equipment and related expenditures concerning the installation, operation and purchase thereof, but only in a county having a population of less than 100,000 and having at least 40,000 acres of state forest land.

For items (1) through (5) above, the amount of the tax imposed for that purpose must be listed on the tax bill as a separate surcharge with the purpose identified. The restriction on operating millage is not applicable to millage that is levied to maintain a reserve account.

Millage in Years of Reassessment. In the year reassessment is implemented, political subdivisions of the State are limited in the level of millage they may impose. This limited millage levy is referred to as the "rollback" millage. The intended effect of rollback millage is to limit the millage rate to that millage rate which, following a reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of reassessment. The rollback millage limitation is inapplicable to millage necessary to pay general

obligation debt. Act No. 388 prohibits political subdivisions from overriding the rollback millage limitation except to meet certain specified conditions.

Unlimited Debt Service Millage. General obligation bonds issued by political subdivisions are secured by the full faith, credit and taxing power of the political subdivision and such debt service millage is not subject to millage rate limitations. The City is authorized to issue the bonds and impose *ad valorem* property taxes without limit to defray debt service on the bonds. Similarly, there is no limit on the amount of millage that may be imposed to make payments for real property purchased using a lease-purchase agreement.

Tax Exemptions

Homestead Exemptions. The State provides, among other exemptions, two exemptions for homesteads. The first is a general exemption from all *ad valorem* property taxes and applies to the first $50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled, or legally blind (the "*Homestead Exemption*").[8] The following table shows amounts received by way of reimbursing appropriations from the State for Homestead Exemption to the City's general fund:

Fiscal Year	Homestead Exemption
2021	$165,644
2022	176,477
2023	188,869
2024	205,972
2025	206,786

Source: Office of the County Treasurer.

The second exemption exempts all owner-occupied real property in the State from *ad valorem* property taxes levied for school district operations (the "*New Homestead Exemption*"). The New Homestead Exemption has no direct effect on municipal taxes.

Sales Tax Referenda

The Local Option Sales Tax was imposed in the County beginning on May 1, 1997. The sales tax is authorized pursuant to State law, particularly Title 4, Chapter 10 of the South Carolina Code, and a referendum on November 4, 1996 by which the imposition of the tax in the County was approved. The County is one of 32 counties in the State which now impose a Local Option Sales Tax. The Local Option Sales Tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the State sales and use tax. The Local Option Sales Tax is imposed to reduce the property tax burden on persons in counties that impose this type of local tax and is collected by the DOR on behalf of the County. The Local Option Sales Tax may be terminated upon approval thereof by referendum; a referendum may be called upon the filing of a petition signed by at least 15% of the qualified electors of the County.

Revenues collected from the Local Option Sales Tax are, by law, divided into a Property Tax Credit Fund and a County/Municipal Revenue Fund. By law, 71% of all collections are allocated to the Property Tax Credit Fund. The Property Tax Credit Fund is distributed to the County (67%) and all municipalities within the County (33%). The municipalities' 33% share is allocated based upon the population of each municipality compared to the total municipal population in the County. All amounts allocated from the Property Tax Credit Fund must be applied to a reduction in the respective taxing jurisdiction's *ad valorem* property tax millage; the reduction applicable to a given parcel or item of taxable property is based upon the assessed value of such property compared to the assessed value of all property within the taxing jurisdiction.

Revenues not distributed to the Property Tax Credit Fund are deposited in a County/Municipal Revenue Fund. Fifty percent of such revenue is distributed based upon the location of the sale, and the remaining fifty percent is distributed based upon population. County/Municipal Revenue Fund monies may be deposited to the general fund of the County or a municipality in the County, or applied to provide additional millage relief. Historically, the City applied 100% of its Local Option Sales Tax receipts to millage relief; however, by the terms of Ordinance No. 2023-16 dated June 27, 2023, which is codified at Section 38.10 of the City's code of ordinances, and as subsequently

[8] S.B. 768, as amended, would increase the homestead exemption from $50,000 to $150,000. The bill passed the Senate in February 2026, and been referred to the House Committee on Ways and Means.

sustained through future budget ordinances of the City, the City no longer exclusively applies its discretionary portion of the Local Option Sales Tax to property tax relief, but rather applies such moneys for either a credit against taxes or to defray municipal operations as determined and approved during the annual budget process. See "City Revenue Sources —*Local Option Sales Tax*" above for a five-year collection history of the City's portion of the Local Option Sales Tax.

Fees in Lieu of Taxes

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of $2.5 million ($1 million in some counties and for certain "brownfield" sites) or more may be negotiated for FILOT payments for a period of up to 30 years (with the possibility of an additional ten-year extension at the option of a county) based on assessment ratios of as little as 6% and using millage rates that are either fixed for the term of negotiated FILOT or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for (i) projects (A) creating at least 125 new jobs and (B) providing new invested capital of not less than $150 million; or (ii) projects providing new invested capital of not less than $400 million. For these projects payments may be negotiated based on assessment ratios of as low as 4% and for a term of up to 50 years.

The State provides alternative provisions respecting the distribution of FILOT to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park (the "*MCIP*") are allocated in proportion to the amounts that would have been received by the taxing entities if the payments were taxes; (ii) revenues received from property that is in a MCIP, however, is distributed in accordance with the agreement creating the park; and (iii) the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in a MCIP under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. FILOT payments may be diverted from taxing entities in the sole discretion of the County to fund projects that support economic development activities, including projects that are used solely by a single enterprise, and such other uses as directed by the County.

Several of the largest taxpayers in the County pay a "fee-in-lieu" of taxes with respect to new manufacturing projects. Each year new fee-in-lieu arrangements are made with other new commercial or manufacturing investments.

The effect is that, notwithstanding the fixed payments by the industry, the City's share of these payments will vary in each year in accordance with the ratio its millage rates for that year bear to the total millage that would otherwise apply to the property. Projects on which these FILOT payments are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits, and for purposes of computing the index of taxpaying ability. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

Notwithstanding the foregoing, an MCIP may not be established (partially or wholly) within the corporate limits of a municipality without the consent of the governing body of the municipality. The power of consent vested in City Council provides it with leverage in negotiating the allocation of payments in lieu of taxes. To date, there are several MCIP properties located within the City's municipal limits, each of which has been consented to and approved by the City

Assessed Value of Taxable Property

The assessed value of all taxable property in the City for which taxes were levied for the last five tax years is set forth below:

Fiscal Year	Tax Year	Total Assessed Value[1]
2021	2020	$41,308,821
2022	2021	45,962,012
2023	2022	49,362,279
2024	2023	52,868,567
2025	2024	56,531,316

[1] Includes multicounty park, FILOT real and personal property, and manufacturers' real and personal property.
Source: County Auditor.

Tax Collection Procedure

Ad valorem taxes are assessed and collected by the County for the benefit of the City, the County and the school district on 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 City are payable on or before January 16 of each year with the exception of taxes on motor vehicles. New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice; all other personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for motor vehicles expires. If property taxes, other than taxes on motor vehicles, are not paid before January 17, a penalty of 3% is added; if not paid by February 2, an additional penalty of 7% is added; if not paid before March 19, an additional penalty of 5% (for a total of 15%) is added and taxes go into execution. Unpaid taxes, both real and personal, constitute a first lien against the property. The County tax collector is empowered to collect all delinquent taxes and to seize and sell so much of the defaulting taxpayer's estate - real and personal or both - as may be sufficient to satisfy the taxes.

Tax Rates

The millage assessed for City operations (inclusive of road paving and capital projects millage) and debt service in the Fiscal Years 2022 through 2026 is set forth below:

	2022	2023	2024	2025	2026
Millage	103.1	111.1	116.1	123.5	123.5

Source: City records.

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Tax Collections

The following table shows taxes levied (adjusted to include additions, abatements and *nulla bonae*) for the City, taxes collected as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes (which taxes include taxes levied in prior years but collected in the year shown) and the percentage of taxes collected.

		Collected within the Fiscal Year of the Levy			Tax Collections to Date	
Year	Total Tax Levy	Taxes Collected	Percentage of Levy	Collections in Subsequent Years	Total Collections	Percentage of Levy
2021	$1,820,619	$1,772,855	97.38%	$64,649	$1,837,544	100.93%
2022	1,625,339	1,568,084	96.48	30,259	1,598,343	98.34
2023	2,093,354	2,028,343	96.89	61,325	2,089,668	99.82
2024	2,990,371	2,855,926	95.50	66,028	2,921,953	97.71
2025	3,625,805	3,476,453	95.88	76,152	3,552,604	97.98

Source: County Auditor and Treasurer; City's records.
Note: Reported property tax levies and collections are lower than would be expected based on the City's total assessed value (see " – Assessed Value of Taxable Property" above due to the impact of the State homestead exemption (see "Tax Exemptions – *Homestead Exemption*" above), the application of Local Option Sales Tax credits (see "CERTAIN FISCAL MATTERS – City Revenue Sources – *Local Option Sale Tax"* above), the presence of properties subject to FILOT agreements (see "- Fees In Lieu Taxes" above), and annual property tax delinquencies. These factors reduce the amount of property tax revenue actually received by the City.

Ten Largest Taxpayers

The ten largest taxpayers in the City (by assessed valuation) for the Fiscal Year 2025 (tax year 2024) are shown below:

Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Dominion Energy South Carolina	$1,566,780	2.77%
SW Camden LLC	970,510	1.72
Fox Run Apartments LLC	915,800	1.62
Wal-Mart Real Estate	790,590	1.40
Camden Corporate Investments LLC	633,220	1.12
Lowes Home Centers Inc.	468,360	0.83
River Oaks Shopping Center LLC & River	459,290	0.81
Camden Al LLC	311,600	0.55
BMS Camden II Associates LLC	304,050	0.54
Cello Property Camden LLC	266,740	0.47
Total	$6,686,940	11.83%

Source: County Auditor.

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DEBT STRUCTURE

General Obligation Debt Limit

Section 14 of Article X of the Constitution provides that the governing bodies of counties of the State may issue bonded indebtedness in a principal amount not exceeding eight percent (8%) of the assessed value of all taxable property therein without a referendum (the "*Constitutional Debt Limit*"). Paragraph (6) of Section 14 of Article X of the Constitution further provides that general obligation debt authorized by a majority of the qualified electors of the issuer may be issued without consideration of the Constitutional Debt Limit otherwise imposed by Section 14 of Article X.

The City is authorized by law to incur general obligation indebtedness and may also contract for the acquisition of capital assets through lease-purchase agreements subject to annual appropriation termination clauses. The City has issued general obligation bonded indebtedness as described below, and has entered into several lease purchase agreements for equipment which are subject to annual appropriation. Payment of debt service of the City's obligations is performed by the County Treasurer.

The City's Constitutional Debt Limit is computed below:

Assessed Value[1]	$56,531,316
Constitutional Debt Limit	4,522,505
Outstanding General Obligation Bonds as of April 1, 2026	3,250,000
Outstanding General Obligation Bonds Subject to the Constitutional Debt Limit as of July 1, 2026	3,005,160
Current Legal Debt Limit Available without a Referendum	$ 1,272,505

[1] As of March 17, 2026. The assessed value of the City for the purposes of calculating the City's Constitutional Debt Limit includes, in addition to the assessed value of taxable real and personal property, amounts calculated pursuant to statutory formulae for fee-in-lieu of tax property and merchants inventory, but does not include certain manufacturer's exempt property or the assessed value of motor carrier reimbursements pursuant to §§ 12-37-2810 *et seq.* of the S.C. Code.
Source: Fiscal Year 2025 Financial Statements, County Auditor, County Treasurer, and internal records of the City.

The City will indicate in the Installment Purchase and Use Agreement to be dated as of May 1, 2026 (see "PURCHASE AND USE AGREEMENT" in APPENDIX C – FORMS OF CERTAIN FINANCING DOCUMENTS) (the "*Purchase and Use Agreement*") that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times, together with other "Available Sources" (as defined in the Purchase and Use Agreement), sufficient to make Installment Payments (as defined in the Purchase and Use Agreement) when due. This expression of intent is not a binding contractual obligation on the part of the City. The City has made no representation or warranty as to its ability to issue general obligation debt in the future.

Outstanding General Obligation Bonds

The outstanding general obligation bonded indebtedness of the City as of April 1, 2026 includes the issues listed below (collectively, the "*Outstanding Bonds*"):

Description	Final Maturity	Amount Issued	Principal Outstanding
Series 2025A	6/01/2030	$ 750,000	$ 750,000
Series 2025B	7/01/2040	2,500,000	2,500,000
	Total:	$ 3,250,000	$ 3,250,000

The following table shows the aggregate annual principal and interest requirements on the Outstanding Bonds.

Fiscal Year	Principal Payment	Interest Payment	Total
2026	$ 79,840	$ 20,160	$ 100,000
2027	323,334	74,149	397,483
2028	296,319	100,605	396,924
2029	307,530	89,800	397,331
2030	318,976	78,587	397,563
2031	147,000	66,955	213,955
2032	152,000	61,840	213,840
2033	157,000	56,550	213,550
2034	162,000	51,086	213,086
2035	168,000	45,449	213,449
2036	174,000	39,602	213,602
2037	180,000	33,547	213,547
2038	186,000	27,283	213,283
2039	193,000	20,810	213,810
2040	199,000	14,094	213,094
2041	206,000	7,169	213,169
TOTAL:	$3,250,000	$787,686	$4,037,686

Other City Debt and Obligations

As of June 30, 2025, for financial accounting purposes, the City's long-term debt included revenue bonds and capital leases summarized below. See Note 4 to the 2025 Financial Statements included as Appendix B for more information related to the City's long-term debt.

Revenue Bonds. As of January 1, 2026, the City had outstanding (i) $35,135,000 of the $52,015,000 original principal amount Combined Public Utility System Refunding and Improvement Revenue Bonds, Series 2020, dated September 16, 2020 (the "*Series 2020 Revenue Bonds"*), (ii) $5,415,510 of the $5,525,000 original principal amount, plus capitalized interest, if any, Combined Public Utility System Revenue Bond, Series 2025 (State Water Pollution Control Revolving Loan Fund), dated May 13, 2025 (the "*Series 2025 Revenue Bond*"), and (iii) $6,000,000 of the $6,000,000 original principal amount Combined Public Utility System Revenue Bond, Series 2025B, dated October 15, 2025 (the "*Series 2025B Revenue Bond*"). The Series 2020 Revenue Bonds, Series 2025 Revenue Bond, and Series 2025B Revenue Bond are payable from the gross revenues of the System.

Capital Leases. As of January 1, 2026, the City had $3,152,914 in principal amount outstanding under various commercial bank lease purchase arrangements, payments for which the City intends to fund from the governmental fund. The proceeds of the commercial bank leases were used to defray the cost of equipment and vehicles. The City's obligation to make payments under each of these lease purchase arrangements is subject to annual appropriation at the discretion of the City Council. To date, all amounts necessary to make payments of principal and interest on these lease purchase arrangements have been annually appropriated. The following table sets forth the annual payments due under capital leases payable from the City. For purposes of the following table, totals may not add due to rounding.

Fiscal Year	Capital Leases
2026	$714,777
2027	714,502
2028	650,997
2029	650,890
2030-2034	814,172
Total	$3,545,341

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 25 years.

Future Debt Plans; Other Capital Needs

The City currently has no future debt plans within the next five years. To the extent the City does have capital projects it is anticipated these will be funded on a pay-go basis or through capital leases.

Overlapping Constitutional Debt Limits

Under the provisions of Article X, Section 14 of the State Constitution, each county, incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, (a) incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and (b) incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding eight percent of the assessed value of all taxable property therein. School districts are subject to similar constraints pursuant to the provisions of Article X, Section 15, except that the cut-off date for bonded indebtedness is November 30, 1982.

Overlapping Debt

The following table sets forth the outstanding general obligation debt as of June 30, 2025, of each political subdivision which overlaps the City, either in whole or in part.

Jurisdiction	Principal Outstanding
Kershaw County*	$ 4,600,000
Kershaw County School District**	92,230,000

Source: 2025 Audited Financial Statements of Kershaw County and Kershaw County School District, respectively.

* The County has certain outstanding installment purchase revenue bonds (issued through a facilities corporation for the benefit of the County), as well as certain general obligation bonds issued for the benefit of the Kershaw County Sewer District that are not included in the outstanding principal amount. The Kershaw County Sewer District does not levy ad valorem taxes within the municipal boundaries of the City.

** The School District has certain outstanding installment purchase revenue bonds (issued through a facilities corporation for the benefit of the district) that are not included in the outstanding principal amount.

Note:Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated based on the percentage of assessed valuation of property located in the City.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

The population at the beginning of each of the preceding four decades and the most recent year available is set forth in the following table:

	City		County	
Year	Population	Percentage Change from Prior Census	Population	Percent Increase from Prior Census
2000	6,682	--	52,647	--
2010	6,838	2.3%	61,697	17.2%
2020	7,788	13.9	65,403	6.0
2024*	8,899	14.3	71,698	9.6

* Population estimate as of July 1, 2024.
Source: United States Census Bureau.

Per Capita Income

The per capita personal income for each of the last five calendar years for which information is available is shown below:

Year	County	State	United States
2019	$43,966	$46,150	$55,567
2020	46,015	48,770	59,123
2021	51,845	53,224	64,460
2022	53,598	54,429	66,244
2023	57,000	57,332	69,810

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Principal Employers

The 20 largest employers located in the County and their products/services are shown below:

Company	Nature of Business
Bethune Nonwovens Inc.	Nonwoven Fabric Manufacturing
City of Camden	Government
County of Kershaw	Government
Devoted Divas Home Health Care LLC	Healthcare
First Palmetto Savings Bank FSB	Commercial Banking
Food Lion LLC	Grocery
Hengst of North America Inc.	Machinery Manufacturing
INV Nylon Polymers Americas LLC	Plastics Manufacturing
Karesh LTC, Inc.	Healthcare
Kershaw County School District	Education
Medical University of South Carolina Hospital Authority	Healthcare
Midlands Regional Rehabilitation Hospital	Healthcare
MUSC Community Physicians	Healthcare
New South Lumber Company Inc.	Lumber Manufacturing
Outlaw Enterprises Inc.	Restaurant Operator
Prestage Foods of South Carolina LLC	Meat Processing
Sensor Enterprises Inc.	Restaurant Operator
Target Corporation	Retail
W. O. Cantey Services Inc.	Construction
Walmart Associates Inc.	Retail

Source: SC Department of Employment and Workforce, December 2025 Community Profile.
Note: Employers are listed alphabetically, not in rank order.

Labor Force

The size of the civilian labor force in the County, the number of those employed and unemployed, and corresponding percentage of those unemployed, is shown below for the most recent five years for which information is available:

	2020	2021	2022	2023	2024
Civilian Labor Force	28,970	29,236	29,995	31,289	32,199
Employment	27,478	28,175	29,039	30,367	30,890
Unemployment	1,492	1,061	956	922	1,309
% of Labor Force Unemployed	5.2%	3.6%	3.2%	2.9%	4.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment Rates

Yearly Comparative Unemployment. The following table shows annual unemployment rates for the County, the State, and the United States for the five most recent years for which such information is available:

Year	County	State	United States
2020	5.2%	6.0%	8.1%
2021	3.6	3.9	5.3
2022	3.2	3.2	3.6
2023	2.9	3.0	3.6
2024	4.1	4.1	4.0

Source: U.S. Department of Labor, Bureau of Labor Statistics.
Note: Certain statistical and economic data is not available for the City. As the City is located wholly within the County, where City-specific information is not available, information is provided that pertains to the County as a whole.

Monthly Unemployment. The unemployment rate in the County on a monthly basis for the latest 12 months available:

Month/Year	Unemployment Rate
September 2025	4.6%
August 2025	4.9
July 2025	4.7
June 2025	4.5
May 2025	3.7
April 2025	3.8
March 2025	4.0
February 2025	4.4
January 2025	4.1
December 2024	3.9
November 2024	4.2
October 2024	4.3

Source: U.S. Bureau of Labor Statistics.
Note: Rates are not seasonally adjusted.

Retail Sales

The following table sets forth gross retail sales of businesses located in the County for the last five calendar years for which information is available.

Calendar Year	City	City's Increase/(Decrease) Over Previous Year	County	County's Increase/(Decrease) Over Previous Year
2021	$613,685,772	--	$1,437,597,068	--
2022	668,274,660	8.9%	1,663,983,956	15.7%
2023	686,240,957	2.7	1,722,518,519	3.5
2024	684,073,508	(0.3)	1,771,474,958	2.8
2025	721,181,715	5.4	1,858,311,265	4.9

Source: South Carolina Department of Revenue.

Economic Development

The County has a diverse manufacturing base, with several global and local manufacturers located within the City, such as Haier (formerly GE), Hengst, INVISTA, Medtronic, TB Kawashima, and Oak-Mitsui, indicating a robust industrial presence, particularly in advanced materials and electronics. The principal manufactured products in the County include appliances, textiles, copper foil, plastics, lumber, and automotive components.

The following are descriptions of capital investments made in the County in recent years:

In July 2025, Eurocharm Group, a metalworking supplier, announced plans to establish its first North American manufacturing facility in the County. The company's investment is projected to total $12 million and is anticipated to create 46 new jobs.

In January 2025, Luck Companies, a provider of crushed stone aggregates and environmental performance products, announced plans to expand its quarry operations across the State by developing new sites in Chester, Edgefield, Saluda and Spartanburg counties, and to expand its existing site in the County by investing $25 million to build a permanent plant at this location. The company's total investment is projected to be $450 million and is anticipated to create 70 new jobs in the State.

In 2023, Orion Performance Compounds, Inc., a manufacturer of highly engineered thermoplastic compounds, established its operations in the County. The company's investment was projected to be $13 million and was anticipated to create up to 54 new jobs.

Capital Investment

The following table sets forth the total announced capital investment for new and expanded industry in the County.

Calendar Year	County Announced Jobs	County Announced Investment
2021	292	$150,000,000
2022	54	13,000,000
2023	0	-
2024	32	16,000,000
2025	0	25,000,000

Source: South Carolina Department of Commerce.

Building Permits

The following table shows the number and valuation of residential and non-residential building permits issued by the County for the calendar years shown.

Calendar Year	# of Permits	Valuation
2021	2,051	$166,917,952
2022	2,074	157,306,298
2023	2,114	114,097,503
2024	2,207	110,280,175
2025	2,311	182,555,092

Source: County Permitting

Facilities Serving the County

Transportation. Interstate 20 serves the County with four interchanges. Within a short distance, I-20 connects with Interstate 95 at Florence and Interstates 77 and 26 in Columbia. In addition, there are three U.S. Highways and nine South Carolina Highways. The County is served by the Seaboard System Railroad, which also provides access to Amtrak. The County has several freight carriers and two trucking terminal facilities.

Private aircraft utilize the Kershaw County Airport at Woodward Field, which has a maximum runway length of 5,000 feet. Charter services, hangar storage, flight schooling, Jet A and 100LL aircraft fuel, and aircraft repairs are among the services offered. The Columbia Metropolitan Airport, located 45 miles west, offers regularly scheduled commercial airline service on Delta, American, United and Allegiant Airlines. In addition, Charlotte Douglas International Airport is conveniently located 72 miles north of the County, with service from all major airlines.

Medical and Health Services. The Columbia metropolitan statistical area (MSA) has several primary acute care hospitals, including Lexington Medical Center, Prisma Health Richland, Prisma Health Baptist, Prisma Health Baptist Parkridge ("*Parkridge*"), MUSC Health Columbia Medical Center Downtown, and MUSC Health Columbia Medical Center Northeast located in Columbia. Prisma Health Baptist, Prisma Health Richland and Parkridge, comprise a portion of the 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 its 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 several medical residency programs at its two teaching hospitals, Prisma Health Richland and Prisma Health Baptist. Lexington Medical Center is a 607-bed modern medical complex that anchors a comprehensive, county-wide health care network called Lexington Health. That network includes six community medical and urgent care centers in strategic locations throughout the Columbia MSA, the largest nursing home in the state, an occupational health center and nearly 80 affiliated physician practices. Lexington Medical Center and its ambulatory centers offer approximately 45 state-of-the-art, fully-equipped operating rooms. Lexington Health is also a leader in health education by sponsoring community health screenings, health fairs, on-site health programs for companies, and trade shows.

MUSC Health Kershaw Medical Center ("*Kershaw Medical*"), located in the City of Camden, encompasses a 119-bed acute care facility and is closely affiliated with Karesh Long Term Care, a 132-bed long term care/rehabilitation facility located in the City. Kershaw Medical offers a broad range of services, including, but not limited to, cardiovascular, emergency, neurosciences, oncology, orthopedic, radiology, nuclear medicine, imaging, rehabilitation, ICU, psychiatric, and surgery. Kershaw Medical also has primary healthcare offices in the Town of Elgin and the unincorporated area of Lugoff.

Public Schools. There are 18 fully-accredited schools operated by the Kershaw County School District (the "*School District*") that serve the County, including 11 elementary, 4 middle, and 3 high schools. The School District currently serves approximately 10,664 pupils. All public schools are fully accredited by the South Carolina Department of Education and Cognia, a global accrediting body that provides quality assurance for K-12 education, ensuring districts meet high standards and commit to continuous improvement.

Higher Education. Central Carolina Technical College ("*CCTC*"), a two-year, public institution of higher education, with a campus located in the City of Camden, confers associate degrees, diplomas, and certificates in various programs, including: business, nursing and health sciences, public service, industrial and engineering technology, legal services, and the arts and sciences. The 2024-2025 academic year enrollment for CCTC, at all campuses, was 3,893.

Recreation. N.R. Goodale State Park is a 763-acre park located in the County, near the City of Camden. Goodale offers shoreline fishing and paddling on a Civil War-era mill pond that is a 149-acre lake. Picnic shelters, canoe rentals, a three-mile cypress canoe trail, picnicking, and hiking are also available. The County's Parks & Recreation Department offers various programs through the Aquatic Center, including swimming lessons, water aerobics, swim team, and lifeguard training classes; youth and adult sports, including baseball, football, soccer, volleyball, and others throughout the County's municipal parks and facilities, as well as line dance, senior fitness, tonetics, and more.

Equine Activities. South Carolina Equine Park ("*Equine Park*"), a 60-acre center specifically designed for a full range of equine activities, breeds, and users, such as hunter/jumpers, quarter horses, paint horses, dressage, ranch horse shows, breed shows, and youth events is located in the County. The Equine Park includes three fenced show rings with state-of-the-art footing, a covered arena with all-purpose footing that suits many disciplines, cattle areas, warm-up areas, nine barns with 288 refurbished stalls, a restaurant/courtyard and 100 RV sites. The County purchased the Equine Park through grants and was leased for operation to the South Carolina Equine Promotion Foundation ("*SCEPF*"). The County-based SCEPF was formed in late 2007 to promote equine-related sports and education, and will continue its fundraising efforts for major upgrades.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF CAMDEN
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Certain supplemental information not necessary for a fair presentation of the financial condition of the City has not been included.

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CITY of CAMDEN
Camden, South Carolina

FINANCIAL STATEMENTS and
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

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To the City Council
City of Camden
Camden, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major funds and the aggregate remaining fund information of City of Camden, South Carolina as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major funds and the aggregate remaining fund information of City of Camden, South Carolina as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The City of Camden, South Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The City adopted GASB Statement No. 101, Compensated Absences, which significantly changed how the compensated absences liability is recognized and measured in the government-wide financial statements. Our opinion is not modified regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The City of Camden, South Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The City of Camden, South Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about The City of Camden, South Carolina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in total OPEB liability and related ratios, the schedule of the City's contributions, and the schedule of the City's proportionate share of the net pension liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Camden's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures and federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2026, on our consideration of The City of Camden, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The City of Camden, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Camden, South Carolina's internal control over financial reporting and compliance.

Cantey, Tiller, Pierce and Green, LLP
Cantey, Tiller, Pierce and Green, LLP
Camden, South Carolina

January 16, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Camden's financial performance and statistics summarizes the City's annual report for the fiscal year ended June 30, 2025. **Please read this document in conjunction with the City's basic audited financial statements. References to relevant pages are included in the following narrative.**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

City Highlights

The City of Camden is the county seat of Kershaw County, South Carolina. The current population, as stated in the 2020 census, is approximately 7,788. City population growth since the 2020 census is estimated to have increased by fifteen (15) percent. The City is located approximately 30 miles east of Columbia, SC.

Business activity in Fiscal Year 2025 remained steady with the City seeing the opening of several new retail outlets and restaurants. The HWY 521 corridor near I-20 continues to progress to include new hotels, restaurants, and businesses. Established shopping centers throughout Camden continue to grow with the opening of new tenants for infill in addition to out parcels developed. Work started on the new hotel, Haigler Hotel, in the heart of downtown surrounded by the downtown core updating as a result of continued private development into more retail, restaurants, etc. The retail sales portion of the increase in private sector businesses has strengthened the effect of the local option sales tax. Revenue generated from this local option sales tax is required to be used as a credit to property tax.

The City's hospitality tax exceeded budgeted revenue by approximately 17% in FY 2025, enhancing tourism, recreational and cultural activities. The tax is applied to the sale of prepared food and beverage. Council's desire to focus on tourism allows our tourism department to continue to promote Camden in a positive light as a destination for the wide variety of resources the City and County have to offer.

During the 2025 fiscal year, the City continued successful emphasis on increased visitation and events as well as the economic development of the City of Camden.
The five-year property re-appraisal will occur during the 2025 year and will affect the taxes collected for the fiscal year ending in June of 2025. The estimated appraisal values have changed over the past five years as follows:

2021	$ 777,786,947
2022	$ 834,529,775
2023	$ 973,082,643
2024	$1,019,558,293
2025	$1,099,104,699

The proprietary fund comprises the electric system, water system and sewer system. The customer base has been very stable over the past few years. The number of customers for water (7400) and sewer (4800) which have grown from previous year levels. The electric system has approximately 11,000 customers.

The City started implementation of an Advanced Metering Infrastructure (AMI) project to replace all electric and water meters with smart meters to better serve customers. Current estimated completion is FY 27. The City also began work on Water System Improvements funded through the South Carolina Infrastructure Investment Program (SCIIP) as a part of the American Rescue Plan Act. The City is replacing and relocating aging water lines, building an elevated storage tank and adding a booster pump station near the Black River Road corridor.
In July 2024, City Council appointed Mr. Matt DeWitt as City Manager for the City of Camden. Matt has over 20 years of public administration experience, with 15 years of municipal service to include utility management. DeWitt continues to focus on moving the City forward with necessary facility and infrastructure updates to include the multi-million dollar AMI project and future facility improvements to better serve the Camden community.

Using This Annual Report

This annual report comprises a series of financial statements pertaining to both the City as a whole (government-wide) and the major individual funds. Information concerning the City as a whole is found in the Statement of Net Position and the Statement of Activities on pages 11 and 12 of the audited financial statements. The major individual funds are the governmental fund and the proprietary fund. The financial statements for governmental activities are pages 13 through 16 of the audited financial statements. These statements tell how services were financed in the short term as well as what is reserved for future spending.

The proprietary fund statements are pages 17 through 18 of the audited financial statements. The proprietary fund statements report the business-like operations in more detail than the government-wide statements. A detailed cash flow statement is provided about the City's proprietary fund, the most financially significant fund, on page 19.

Government-Wide Financial Statements

The analysis of the City as a whole begins on this page of the report. The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns and are added for a total Primary Government. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the following question. Is the City better off or worse off as a result of the current year's activities. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. Accruals of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Over time, increases or decreases in the City's net position indicate whether its financial health is improving or deteriorating. We must also consider other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

Fund Financial Statements

Governmental funds: Most of the City's basic services are reported in the governmental fund statements, which focus on how money flows in and out of the governmental fund. The financial plan or budget is typically developed on the basis of sources and uses of liquid resources. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The supplemental governmental fund financial statements on pages 49, 50 and 51 allow a detailed review of budgetary compliance associated with current year sources and uses.

Proprietary funds: When the City charges customers for the services it provides, whether to outside customers or to customers within the City, these services are reported in a proprietary fund. Proprietary funds are consolidated in the City-wide Statement of Net Position and the Statement of Activities. In addition, the City's proprietary fund (business type fund) is reported in more detail with a cash flow statement on page 18 and a supplemental statement of revenues and expenses on page 59 of the audited financial statements. Page 60 presents a budget versus actual comparison for this fund.

Net Position of the City as a Whole

The following information is a condensed Statement of Net Position with discussion about the current year's changes from last year's total net position.

The City's combined net position changed from a year ago, increasing from $104,674,034 at the end of fiscal year 2024 to $124,013,274 at year-end 2025. This $19,339,240 or 18% increase in net position is a result of current year's activities.

NET POSITION as of 6/30/25

	Governmental Activities		Proprietary Fund Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 17,787,820	$ 14,470,976	$ 17,851,649	$ 14,006,425	$ 35,639,469	$ 28,477,401
Receivables	1,395,079	1,343,444	4,673,817	4,883,743	6,068,896	6,227,187
Non-Current assets	275,488	805,798	2,706,447	2,325,021	2,981,935	3,130,819
Other assets	403,990	384,888	2,981,975	2,176,844	3,385,965	2,561,732
Capital assets	25,581,518	25,551,945	119,476,615	116,340,965	145,058,133	141,892,910
Assets	45,443,895	42,557,051	147,690,503	139,732,998	193,134,398	182,290,049
Deferred Outflow	2,508,693	2,986,181	954,042	1,207,413	3,462,735	4,193,594
Total assets/outflow	$ 47,952,588	$ 45,543,232	$ 148,644,545	$ 140,940,411	$ 196,597,133	$ 186,483,643
Current liabilities	$ 2,355,851	$ 2,428,469	$ 9,212,661	$ 7,992,510	$ 11,568,512	$ 10,420,979
Long term liabilities	16,020,034	19,433,289	34,418,674	40,627,381	50,438,708	60,060,670
Liabilities	18,375,885	21,861,758	43,631,335	48,619,891	62,007,220	70,481,649
Deferred Inflow	4,153,386	3,782,266	6,423,253	7,545,694	10,576,639	11,327,960
Total liabilities/inflow	$ 22,529,271	$ 25,644,024	$ 50,054,588	$ 56,165,585	$ 72,583,859	$ 81,809,609
Net position:						
Investment in capital assets	$ 20,090,108	$ 19,129,342	$ 84,341,615	$ 76,356,770	$ 104,431,723	$ 95,486,112
Restricted for debt service	275,488	264,230	2,544,139	1,771,142	2,819,627	2,035,372
Restricted for special purposes	155,881	177,845	-	-	155,881	177,845
Unrestricted	4,901,840	327,791	11,704,203	6,646,914	16,606,043	6,974,705
Total net position	$ 25,423,317	$ 19,899,208	$ 98,589,957	$ 84,774,826	$ 124,013,274	$ 104,674,034

Financial Analysis – Government-wide Statements

The General Fund budget for the fiscal year 2025 was $14,817,165. This was an increase of $665,338 from the previous year. During the year, certain variances developed as follows: Property tax collections were $375,143 more than budgeted. This was due to a decrease in the local option sales tax credit increasing property tax collections. Local Option Sales Tax of $177,766 was less than budget. Business licenses fees were $862,465 more than budgeted. Grants in the amount of $513,373 were received from Federal, State, and local agencies with the budgeted amount being $12,000. The total expenditures, including all account variances, were $486,049 less than the cash-operating budget. The expense favorable budget combined with the income overage of $2,086,504 resulted in a net actual gain on budget of $2,572,553.

Discussion of Changes in Governmental Fund Net Position

The net position of the City governmental fund had increased by $5,524,109 to a balance of $25,423,317 in 2025 from $19,899,208 in 2024.

The increase in fund balance is a net income increase in general fund of $5,019.569 plus a prior period adjustment of $541,568 and restatement of beginning net position of ($37,028) for adoption of GASB 101, Compensated Absences.

The City's capital outlay in 2025 was $1,460,895 and recorded $1,431,322 as depreciation expense. The difference is an increase to net position in the amount of $29,573. The primary additions to capital assets is purchase of Midtown Properties for $743,167, the purchase of six vehicles for $380,543 and various sidewalk and street improvements of $168,472.

The net amount in compensated absences increased by $131,701 from $178,303 in 2024 to $310,004 in 2025 due to the adoption of the new GASB 101 standard. This change decreased net position. Also, the decrease in net OPEB liability due to changes in post-employment benefits increased the net position in the amount of $576,874 and the current year decrease of net pension liabilities of $957,263 increased the net position.

Summary:

	Contribution to Net Position	
	2025	2024
Fund Balance Improvement (Decline)	$ 2,656,367	$ 1,326,698
Net Capital Asset Investment	29,573	2,825,746
Net (Increase) Decrease in Debt	931,193	(1,461,015)
OPEB Obligations (GASB 45)	576,874	4,351,287
GASB 68 Implementation	957,263	255,280
(Increase) Decrease in Compensated Absences	(131,701)	56,074
Restatement due to Compensated Absences	(37,028)	-
Prior Period Adjustment due to LOST Change	541,568	
Net Change	$ 5,524,109	$ 7,354,070

Discussion of Changes in Proprietary Fund Net Position

The net position of the City proprietary fund had increased by $13,815,131 or 16%, from $84,774,826 in 2024 to $98,589,957 in 2025. This can be analyzed in greater detail on the Statements of Revenues, Expenses and Changes in Net Position on page 17 of the audited financial statements.

A $10,237,303 contribution to operating income was recorded by the electric division. This gain was $4,221,611 more than the business plan had anticipated. Electric revenues were more than budget by $289,496. Operating costs of the electric division were $3,932,115 less than budgeted.

A $1,674,904 contribution to operating income was recorded by the water division. This was $384,478 less than budgeted. The water division revenues were less than budget by $363,983.

A $1,532,960 gain was posted to operating income by the sewer division. This was $828,634 more than budgeted. Sewer division revenue was more than budget by $665,507.

Other net operating income totaled $2.654,901.

The City policy to transfer funds annually to the governmental fund reduced the proprietary fund retained earnings by $2,266,000.

Summary:

	2025	2024
Electric Department	$ 10,237,303	$ 10,325,375
Water Department	1,674,904	1,788,189
Sewer Department	1,532,960	1,786,766
Other Operating Income	1,325,125	1,260,317
Non-operating Rev. (Exp.)	1,329,776	(770,138)
Transfers Out	(2,266,000)	(2,266,000)
Net Change	$ 13,834,068	$ 12,124,509

City-wide Summary:

	2025	2024
Governmental Fund	$ 5,019,569	$ 7,354,070
Proprietary Fund	$ 13,834,068	$ 12,124,509
Total City of Camden	$ 18,853,637	$ 1,947,859

Summary of Revenues and Expenses
Changes in Net Position as of 06/30/25

	Governmental Activity		Proprietary Activity		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Taxes	$ 8,552,857	$ 7,512,004	$ -	$ -	$ 8,552,857	$ 7,512,004
Licenses and Permits	4,160,647	4,078,887	-	-	4,160,647	4,078,887
Intergovernmental	1,032,712	887,867	-	-	1,032,712	887,867
Charge for Services	2,919,825	2,379,133	-	-	2,919,825	2,379,133
Fines	318,933	182,010	-	-	318,933	182,010
Miscellaneous	1,203,983	1,096,155	-	-	1,203,983	1,096,155
Electric Revenue	-	-	31,213,949	28,033,501	31,213,949	28,033,501
Water Revenue	-	-	5,263,017	5,184,269	5,263,017	5,184,269
Sewer Revenue	-	-	4,569,054	4,940,269	4,569,054	4,940,269
Other Operating	-	-	1,325,125	1,193,429	1,325,125	1,193,429
Interest Income	-	-	519,946	393,079	519,946	393,079
Total Revenue	18,188,957	16,136,056	42,891,091	39,744,547	61,080,048	55,880,603
Expenses:						
General Government	3,764,358	3,487,581	-	-	3,764,358	3,487,581
Public Safety	6,284,231	6,330,624	-	-	6,284,231	6,330,624
Highways and Streets	1,532,105	2,943,252	-	-	1,532,105	2,943,252
Sanitation	2,046,871	1,611,294	-	-	2,046,871	1,611,294
Culture and Recreation	2,655,279	1,708,858	-	-	2,655,279	1,708,858
Non-Departmental	1,884,405	3,541,382	-	-	1,884,405	3,541,382
Electric Cost	-	-	20,976,646	17,708,126	20,976,646	17,708,126
Water Cost	-	-	3,588,113	3,396,080	3,588,113	3,396,080
Sewer Cost	-	-	3,036,094	3,153,503	3,036,094	3,153,503
Loss on Disposal of Assets	-	-	-	-	-	-
Interest Expense	-	-	530,722	1,163,217	530,722	1,163,217
Total Expense	18,167,249	19,622,991	28,131,575	25,420,926	46,298,824	45,043,917
Income before Transfers	21,708	(3,486,935)	14,759,516	14,323,621	14,781,224	10,836,686
Transfers In/ (Out)	2,266,000	2,266,000	(2,266,000)	(2,266,000)	-	-
Sale of Assets	61,873	47,633	-	-	61,873	47,633
Grant Income	306,786	-	1,340,552	66,888	1,647,338	66,888
Fund Bal Changes pg 16	2,363,202	6,027,372	-	-	2,363,202	6,027,372
Capital Financing	-	2,500,000	-	-	-	2,500,000
Change in Net Position	5,019,569	7,354,070	13,834,068	12,124,509	18,853,637	19,478,579
Beginning Net Position, as Restateed	19,862,180	13,045,138	84,755,889	72,769,717	104,618,069	85,814,855
Prior Period Adjustment	541,568	(500,000)	-	(119,400)	541,568	(619,400)
Ending Net Position	$ 25,423,317	$ 19,899,208	$ 98,589,957	$ 84,774,826	$ 124,013,274	$ 104,674,034

Restricted Assets and Other Reserves

As a result of providing utility service to approximately 11,000 customers, the City maintains a reserve to cover un-collectable debt. The reserve fund for bad debts was $546,879 as of June 30, 2025. Additionally, the utility fund customer deposits are maintained as a restricted reserve. This amount was $995,697 as of June 30, 2025. The City Council passed an ordinance for a tax millage increase beginning in 2002. A portion of the tax increase is specifically restricted for road paving. As of June 30, 2025, the road paving reserve balance was $1,570,109. City Council also restricted funds for capital projects. The capital projects fund balance was $140,518 as of June 30, 2025. The City sold a watershed property during the year 2001. The principal balance amount of the sale, $925,500, could not be spent without an authorizing resolution. In March 2011, City Council approved the reduction of the watershed account by the amount of $375,000 to be used for the purchase of property from the Kershaw County School District. In May 2011, City Council approved the sale of a portion of the property purchased in the amount of $113,631 and resolved that the sale proceeds be placed into the watershed restricted account. This purchase and sale of property resulted in a net balance of $664,131 in the restricted watershed property account. In March 2011, City Council approved the reduction of the watershed account amount by $363,967 to be used for the purchase of property on Campbell Street. In June of 2014, City Council approved the reduction of the watershed account amount by $212,000 to be used to purchase property located at the corner of Broad St. and Rutledge (Maxway Property). In September 2015, the property known as Pine Tree Hill School was sold to Kershaw Health for $266,720. This was placed back into the restricted account and resulted in a balance of $270,281 in the restricted watershed property account at June 2024.

A local hospitality tax in the amount of 2% went into effect December 2009. City Council resolved to restrict the hospitality tax to tourism related expenditures. The balance in the hospitality tax fund was $1,255,141 as of June 30, 2025.

Summary of Capital Assets
As of 06/30/25
(Net of Depreciation)

	Governmental Activity		Proprietary Activity		Total	
	2025	2024	2025	2024	2025	2024
Land and Improvements	$ 4,144,701	$ 3,401,534	$ 501,918	$ 426,157	$ 4,646,619	$ 3,827,691
Buildings and Improvements	11,534,122	11,998,598	758,333	140,226	12,292,455	12,138,824
Equipment	886,039	1,044,670	-	-	886,039	1,044,670
Streets, Sidewalks, Etc.	5,907,173	5,896,410	-	-	5,907,173	5,896,410
Automotive Equipment	3,109,483	3,210,733	600,612	538,955	3,710,095	3,749,688
Electric System	-	-	39,738,548	41,107,557	39,738,548	41,107,557
Water System	-	-	13,868,335	19,475,710	13,868,335	19,475,710
Sewer System	-	-	23,917,850	19,771,723	23,917,850	19,771,723
Electric Instruments	-	-	1,756,900	271,841	1,756,900	271,841
Water Instruments	-	-	5,275,941	482,547	5,275,941	482,547
Sewer Instruments	-	-	59,405	61,479	59,405	61,479
Office Machines	-	-		-	-	-
Wastewater Treatment Plant	-	-	24,640,471	25,949,155	24,640,471	25,949,155
Total	25,581,518	25,551,945	111,118,313	108,225,350	136,699,831	133,777,295
Construction in Progress	-	-	8,358,302	8,115,615	8,358,302	8,115,615
Total	$ 25,581,518	$ 25,551,945	$ 119,476,615	$ 116,340,965	$ 145,058,133	$ 141,892,910

Please refer to Note 3 of the following audited financial statements for a review of capital asset transactions.

Operating Cash

The City maintains one consolidated checking account for the combined governmental fund and proprietary fund. The City's general ledger accounting system separates all transactions and applies cash transactions to the appropriate individual fund. The consolidated cash balance is $8,922,373 as of June 30, 2025. Other general fund liquid investments totaled $8,865,447 at year-end. As of June 30, 2025, the general fund unrestricted operating cash adjusted for receivables and payables is $9,733,793. The excess unrestricted cash excludes the deferred revenue already received for the upcoming fiscal year. Based on cash needs for the fiscal year 2024/2025 this balance will support the City for 235 days. The proprietary fund operating cash and investment balances adjusted for receivables is $22,525,466 which allows 224 days of excess working cash.

City-wide Debt

The City has an excellent payment record. The City has never defaulted on the payment of debt principal or interest. Although we show increases in City wide net assets for the current year's activities, we continue to reflect a strong financial position net of debt for future capital expenditures and street paving. Restricted funds totaling $2,544,139 are funds reserved in lieu of debt in order to provide services. City staff and Council face the needs of a community with very old infrastructure and very high service expectations.

Governmental Fund Debt

The total debt of the City is relatively low in proportion to the taxable property in relation to other South Carolina municipalities. The governmental fund has $2,287,000 outstanding in revenue bond debt. At June 30, 2025, the governmental fund had a $3,204,410 balance of capital lease/bond debt. The annual amount of principal paid for all general fund debt was $931,193 for fiscal year 2025.

Proprietary Fund Long Term Debt

The proprietary fund currently has a balance, as of June 30, 2025, of $35,135,000 committed to long term debt.

History-Old debt is comprised of four issues of combined public utility revenue bonds. The largest bond issue during 1997 was used to build a 6.0 MGD state of the art water treatment plant near Lake Wateree. The 1997 bond was refunded with a 2004 issue.

A series 2002 revenue bond was issued for major repairs to the electric system, water lines and sewer system in the amount of $4,200,000. A bond issue for $6,000,000 was issued during fiscal year 2004. In November 2007, a revenue bond for continued infrastructure repairs was issued in the amount of $1,273,000. A revenue bond 2011A, in the amount of $475,000 was issued to refund a portion of the 1997 Bond during the 2011 fiscal year. A portion of the Series 2004 Bond was advance refunded through the issuance of the Series 2014A Bond. The advance refunding extinguished $3,695,000 of the 2004 Bond. Series 2015 and 2016 was issued for major electric underground projects and repairs in the total amount of $13,080,000. SRF Funding in the amount of $12,325,986 for water and sewer renovations to include the area of Kendall Mill Village and the SCDOT Bypass. In 2018, Revenue Bond Series 2018 was issued for various projects in communities in the City in the amount of $6,758,000. In 2019, SRF funded advances for loans for the communities of Kirkwood and Ehrenclou areas in the amount of 4,046,726.

The debt balance for the construction of a new wastewater treatment plant was $25,563,913 at June 30, 2020. A revenue bond was issued during fiscal year 2010 in the amount of $3,000,000 for engineering, planning, design, and infrastructure related to the new wastewater treatment plant. The debt will be serviced as needed by rate increases for combined utility services with the payments that began September 2016. The debt amount for the upgrades and rehabilitation of several electric projects in beginning in 2015/2016 was $13,080,000 with an interest rate of 2.4% with a 15-year term.

In September 2020, the City refinanced all proprietary debt at a lower interest rate with the exception of the Series 2012A bond, the Series 2013A bond and the Series 2014A bond. After refinancing the debt, the amount needed to service the combined utility system debt annually for the next five years is approximately $6,550,048. The following debt coverage ratios have been in place for the last three years.

Long Term Debt Service Coverage
Proprietary Fund

	2023	2024	2025
Net Income	$ 13,383,386	$ 14,389,632	$ 16,100,068
Depreciation	5,602,916	5,737,805	5,997,494
Grant Income	(3,922,496)	(66,888)	(1,340,552)
Interest Expense on Bonds	600,392	1,163,217	530,722
Net Available for Debt From Operations	$ 15,664,198	$ 21,223,766	$ 21,287,732
Total Debt Service Requirement	$ 6,437,060	$ 6,358,103	$ 4,759,043
Coverage Ratio	2.43	3.34	4.47

The debt coverage ratio was 4.47 in 2025, allowing the City to meet the required debt coverage ratio. The City implemented the following changes beginning in the June 30, 2025 fiscal year to insure that the City continues to meet the debt service requirement.

1-Implemented a Fuel Service Adjustment on all electric consumption to pass through the rising costs of natural gas used to produce purchased power.
2-Approved an electric rate increase of 10%

Summary of Outstanding Debt

	Governmental Activity		Proprietary Activity		Total City	
	2025	2024	2025	2024	2025	2024
Bond Obligations	$ 2,287,000	$ 2,653,000	$ 35,135,000	$ 40,080,000	$ 37,422,000	$ 42,733,000
Capital Leases	3,204,410	3,769,603	-	-	3,204,410	3,769,603
Total	$ 5,491,410	$ 6,422,603	$ 35,135,000	$ 40,080,000	$ 40,626,410	$ 46,502,603

Please refer to pages 30 through 32 (Note # 4 and # 5) of the audited financial statements for a detailed presentation of the City-wide debt.

***Calculation of debt service was determined using financial information prior to transfers. Prior years' coverage has been restated to reflect debt service calculation prior to transfers.**

Economic Factors and Next Year's Budget

The City's financial condition remained strong as of June 30, 2025.

The City continues to have low unemployment at 4.2%, a large growth in population and growth in gross domestic product. The City's adopted operating budget for all funds for the year ending June 30, 2026, is $62,146,675. This represents an increase from the prior budget year in the amount of $3,030,510 or 5%. The City has included use of fund balance in the amount of $134,002. The fiscal year 2026 budget reflects funding with a focus on investments in the City Council's Strategic Outcomes. The City's millage rate remains at a total of 123.5 mills.

Financial Contact

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you need additional financial information, contact the Director of Finance, City of Camden, 1000 Lyttleton Street, P.O. Box 7002, Camden, South Carolina 29021.

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 8,922,373	$ 2,381,641	$ 11,304,014
Investments	8,865,447	15,470,008	24,335,455
Receivable:			
Accounts Receivable, Net	-	3,966,392	3,966,392
Taxes, Net	658,731	-	658,731
Miscellaneous	736,348	707,425	1,443,773
Inventory	73,511	2,805,081	2,878,592
Prepaids	330,479	176,894	507,373
Restricted Assets:			
Certificates of Deposit	-	162,308	162,308
Investments	275,488	2,544,139	2,819,627
Capital Assets:			
Land, Historical Collections and Construction in Progress	4,144,701	8,860,218	13,004,919
Other Capital Assets, Net of Accumulated Depreciation	21,436,817	110,616,397	132,053,214
Total Capital Assets, Net of Depreciation	25,581,518	119,476,615	145,058,133
Total Assets	45,443,895	147,690,503	193,134,398
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension Liability	2,508,693	954,042	3,462,735
Total Deferred Outflow of Resources	2,508,693	954,042	3,462,735
LIABILITIES			
Accounts Payable	583,659	2,287,611	2,871,270
Accrued Liabilities	693,100	137,909	831,009
Compensated Absences, Current	62,008	20,860	82,868
Notes and Lease Obligations Payable, Current	640,084	-	640,084
Bonds Payable, Current	377,000	5,185,000	5,562,000
Liabilities Payable from Restricted Assets			
Customer Deposits	-	995,697	995,697
Accrued Interest Payable	-	585,584	585,584
Compensated Absences, Non-Current	247,996	83,440	331,436
OPEB Obligation	2,830,397	205,453	3,035,850
Net Pension Liability	8,467,315	4,179,781	12,647,096
Notes and Lease Obligations Payable, Non-Current	2,564,326	-	2,564,326
Bonds Payable, Non-Current	1,910,000	29,950,000	31,860,000
Total Liabilities	18,375,885	43,631,335	62,007,220
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue	1,457,982	1,000,000	2,457,982
Deferred Inflows Related to Pension Liability	2,695,404	1,140,012	3,835,416
Deferred Gain on Bond Refunding	-	4,283,241	4,283,241
Total Deferred Inflow of Resources	4,153,386	6,423,253	10,576,639
NET POSITION			
Net Investment in Capital Assets	20,090,108	84,341,615	104,431,723
Restricted for:			
Law Enforcement	89,006	-	89,006
Special Purposes	66,875	-	66,875
Debt Service	275,488	2,544,139	2,819,627
Unrestricted	4,901,840	11,704,203	16,606,043
Total Net Position	$ 25,423,317	$ 98,589,957	$ 124,013,274

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of ACTIVITIES
For the Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government:							
General Government	$ 3,289,498	$ 3,462,465	$ -	$ -	$ 172,967	$ -	$ 172,967
Public Safety							
Police	3,950,148	318,933	206,587	-	(3,424,628)	-	(3,424,628)
Fire	2,548,278	912,565	-	-	(1,635,713)	-	(1,635,713)
Highways and Streets	1,529,221	-	-	-	(1,529,221)	-	(1,529,221)
Sanitation	2,024,577	2,007,260	-	-	(17,317)	-	(17,317)
Culture and Recreation	2,462,325	2,473	-	431,786	(2,028,066)	-	(2,028,066)
Total Governmental Activities	15,804,047	6,703,696	206,587	431,786	(8,461,978)	-	(8,461,978)
Business-Type Activities:							
Electric Charges	20,976,646	31,213,949	-	-	-	10,237,303	10,237,303
Water Charges	3,588,113	5,263,017	-	-	-	1,674,904	1,674,904
Sewer Charges	3,036,094	4,569,054	-	1,340,552	-	2,873,512	2,873,512
Total Business-Type Activities	27,600,853	41,046,020	-	1,340,552	-	14,785,719	14,785,719
Total Primary Government	$ 43,404,900	$ 47,749,716	$ 206,587	$ 1,772,338	(8,461,978)	14,785,719	6,323,741

	Primary Government		
General Revenues:			
Taxes:			
Property Taxes	8,552,857	-	8,552,857
Franchise Taxes	698,182	-	698,182
Intergovernmental Revenues	826,125	-	826,125
Unrestricted Investment Earnings	216,848	519,946	736,794
Sale of Assets	61,873	-	61,873
Federal Grant Income	-	1,340,552	1,340,552
Miscellaneous	859,662	(15,427)	844,235
Less Interest Expense	-	(530,722)	(530,722)
Transfers - Internal Activities	2,266,000	(2,266,000)	-
Total General Revenues, Special Items and Transfers	13,481,547	(951,651)	12,529,896
Change in Net Position	5,019,569	13,834,068	18,853,637
Net Position, Beginning of Year, as Restated Note 14	19,862,180	84,755,889	104,618,069
Prior Period Adjustment Note 13	541,568	-	541,568
Net Position, End of Year	$ 25,423,317	$ 98,589,957	$ 124,013,274

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2025

	General	Special Revenue	Capital Project Funds	Total Governmental Funds
ASSETS				
Assets				
Cash	$ 5,632,870	$ 1,543,976	$ 1,745,527	$ 8,922,373
Investments	8,865,447	-	-	8,865,447
Restricted Investments	-	275,488	-	275,488
Receivables (Net)				
Taxes	648,438	10,293	-	658,731
Miscellaneous	736,348	-	-	736,348
Inventory	73,511	-	-	73,511
Prepaids	330,479	-	-	330,479
Total Assets	$ 16,287,093	$ 1,829,757	$ 1,745,527	$ 19,862,377
LIABILITIES, DEFERRED INFLOWS OF RESOURCES and FUND BALANCE				
Liabilities				
Accounts Payable	$ 450,950	$ 127,809	$ 4,900	$ 583,659
Accrued Liabilities	477,665	215,435	-	693,100
Total Liabilities	928,615	343,244	4,900	1,276,759
Deferred Inflows of Resources				
Unearned Revenue Due to Impact Fees	1,064,666	-	-	1,064,666
Unearned Revenue Other	289,075	74,241	30,000	393,316
Total Deferred Inflows of Resources	1,353,741	74,241	30,000	1,457,982
FUND BALANCE				
Fund Balance				
Nonspendable	73,511	-	-	73,511
Restricted	-	1,405,576	-	1,405,576
Committed	250,926	-	1,710,627	1,961,553
Assigned	-	6,696	-	6,696
Unassigned	13,680,300	-	-	13,680,300
Total Fund Balance	14,004,737	1,412,272	1,710,627	17,127,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 16,287,093	$ 1,829,757	$ 1,745,527	$ 19,862,377

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET
to the STATEMENT of NET POSITION
June 30, 2025

Total Fund Balance for Governmental Funds		$ 17,127,636
Total Net Position reported for governmental activities in the statement of net position is different because:		
Capital assets of $47,132,652 net of accumulated depreciation of $21,551,134 are not financial resources and, therefore, are not reported in the funds. (See Note 3 for additional detail).		25,581,518
Other postemployment benefits liability related to City's other postemployment benefits benefits plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		
OPEB Liability		(2,830,397)
The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		
Deferred outflows-pension		2,508,693
Net Pension Liability		(8,467,315)
Deferred inflows-pension		(2,695,404)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated Absences	$ (310,004)	
Governmental Leases and Bonds Payable	(5,491,410)	(5,801,414)
Total Net Position of Governmental Activities		$ 25,423,317

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	General	Special Revenue	Capital Project Funds	Total Governmental Funds
REVENUES				
Taxes	$ 5,036,352	$ 1,712,224	$ 1,804,281	$ 8,552,857
Licenses and Permits	4,160,647	-	-	4,160,647
Intergovernmental Revenues	970,565	62,147	-	1,032,712
Charges for Services	2,919,825	-	-	2,919,825
Fines and Forfeits	300,883	18,050	-	318,933
Other Grants	-	125,000	-	125,000
Federal Grants	306,786	-	-	306,786
Miscellaneous Revenues	880,738	198,245	-	1,078,983
Total Revenues	14,575,796	2,115,666	1,804,281	18,495,743
EXPENDITURES				
Current:				
General Government	3,764,357	-	-	3,764,357
Public Safety	6,266,181	18,050	-	6,284,231
Highways and Streets	1,396,307	-	135,798	1,532,105
Sanitation	2,046,871	-	-	2,046,871
Culture and Recreation	300,368	2,354,911	-	2,655,279
Non-Departmental	557,032	112,945	1,214,429	1,884,406
Total Expenditures	14,331,116	2,485,906	1,350,227	18,167,249
EXCESS (DEFICIENCY) of REVENUES OVER (UNDER) EXPENDITURES	244,680	(370,240)	454,054	328,494
OTHER FINANCING SOURCES (USES)				
Transfer In	2,266,000	-	-	2,266,000
Sale of Assets	61,873	-	-	61,873
Total Other Financing Sources (Uses)	2,327,873	-	-	2,327,873
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	2,572,553	(370,240)	454,054	2,656,367
FUND BALANCE, Beginning of Year	11,432,184	1,782,512	1,256,573	14,471,269
FUND BALANCE, End of Year	$ 14,004,737	$ 1,412,272	$ 1,710,627	$ 17,127,636

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

RECONCILIATION of the GOVERNMENTAL FUNDS STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES to the STATEMENT of ACTIVITIES
For the Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds	$	2,656,367
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of $1,431,322 were less than additions of $1,460,895 in the current period.		29,573
The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. There were repayments of $931,193. Also see Note 5 for additional detail.		931,193
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include:		
Net increase in compensated absences.		(131,701)
Net decrease in net pension liability expenses.		957,263
Net decrease in net OPEB Obligation.		576,874
Changes in Net Position of Governmental Activities	$	5,019,569

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of NET POSITION - PROPRIETARY FUND
June 30, 2025

ASSETS	
CURRENT ASSETS	
Cash	$ 2,381,641
Investments	15,470,008
Accounts Receivable, Net	3,966,392
Miscellaneous Receivables	707,425
Inventories	2,805,081
Prepaids	176,894
Total Current Assets	25,507,441
NON-CURRENT ASSETS	
RESTRICTED ASSETS	
Certificates of Deposit - Customer Deposits	162,308
Investments - Reserve Bond Investment	2,544,139
Total Restricted Assets	2,706,447
CAPITAL ASSETS	
Construction in Process	8,358,302
Buildings and Land	1,823,133
Furniture, Fixtures and Equipment	4,111,973
Electric System	73,574,116
Water System	42,449,931
Sewer and Wastewater System	78,024,461
Sub-Total	208,341,916
Less Accumulated Depreciation	(88,865,301)
Total Capital Assets	119,476,615
Total Non-Current Assets	122,183,062
Total Assets	147,690,503
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension Liability	954,042
Total Deferred Outflows of Resources	954,042
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	2,287,611
Other Current Liabilities	137,909
Accrued Vacation Pay, Current	20,860
Bonds Payable, Current	5,185,000
Total Current Liabilities	7,631,380
NON-CURRENT LIABILITIES	
Accrued Vacation Pay	83,440
OPEB Obligation	205,453
Net Pension Liability	4,179,781
Payable from Restricted Assets	
Customer Deposits	995,697
Accrued Interest Payable	585,584
Bonds Payable, Non-Current	29,950,000
Total Non-Current Liabilities	35,999,955
Total Liabilities	43,631,335
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue Related to Stabilization Fund	1,000,000
Deferred Inflows Related to Pension Liability	1,140,012
Deferred Gain on Bond Refunding	4,283,241
Total Deferred Inflows of Resources	6,423,253
NET POSITION	
Net Investment in Capital Assets	84,341,615
Restricted for Debt Service	2,544,139
Unrestricted	11,704,203
Total Net Position	$ 98,589,957

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of REVENUES, EXPENSES and CHANGES in NET POSITION - PROPRIETARY FUND
For the Year Ended June 30, 2025

OPERATING REVENUES	
Charges for Services:	
Electric Charges	$ 31,213,949
Water Charges	5,263,017
Sewer Charges	4,569,054
Total Operating Revenues	41,046,020
OPERATING EXPENSES	
Personnel Services	3,310,140
Maintenance, Operations, and Contractual Services	17,588,065
Materials and Supplies	705,154
Depreciation & Amortization	5,997,494
Total Operating Expenses	27,600,853
Operating Income	13,445,167
NON-OPERATING REVENUE (EXPENSE)	
Interest Income	519,946
Interest Expense	(530,722)
Other Revenue (Expense)	1,325,125
Federal Grant Income	1,340,552
Total Non-Operating Revenue (Expense)	2,654,901
Income (Loss) before Contributions and Transfers	16,100,068
OPERATING TRANSFERS and CONTRIBUTIONS	
Transfers to Other Funds	(2,266,000)
Change in Net Position	13,834,068
NET POSITION, Beginning of Year, as Restated-Note 14	84,755,889
NET POSITION, End of Year	$ 98,589,957

The Accompanying Notes are an Integral Part of These Financial Statements

CITY of CAMDEN, SOUTH CAROLINA

STATEMENT of CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2025

CASH FLOWS from OPERATING ACTIVITIES:		
Cash Received from Customers	$	41,283,020
Cash Payments to Suppliers for Goods and Services		(19,887,928)
Cash Payments to Employees for Services		(3,479,199)
Net Cash Provided by Operating Activities		17,915,893
CASH FLOWS from NON-CAPITAL FINANCING ACTIVITIES:		
Other Non-Operating Revenue		2,665,677
Reclassification of Restricted Cash		(11,752,439)
Operating Transfers Out		(2,266,000)
Net Cash Used in Non-Capital Financing Activities		(11,352,762)
CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES:		
Purchase of Assets		(9,133,144)
Principal Paid on Revenue Bond Maturities		(4,945,000)
Interest Paid on Debt Service		(530,722)
Net Cash Used in Capital and Related Financing Activities		(14,608,866)
CASH FLOWS from INVESTING ACTIVITIES:		
Interest and Dividends on Investments		519,946
Net Cash Provided by Investing Activities		519,946
Net Decrease in Cash and Cash Equivalents		(7,525,789)
Cash and Cash Equivalents at Beginning of Year		9,907,430
Cash and Cash Equivalents at End of Year	$	2,381,641
RECONCILIATION of OPERATING INCOME to NET CASH PROVIDED by OPERATING ACTIVITIES:		
Operating Income	$	13,445,167
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation		5,997,494
Changes in Assets and Liabilities:		
Accounts Receivable		680,655
Miscellaneous Accounts Receivable		(470,729)
Inventory		(838,825)
Prepaids		33,694
Deferred Pension Outflow		157,566
Deferred Charges		95,805
Accrued Vacation		13,112
Accounts Payable		975,473
Interest Payable		(54,749)
OPEB Obligation		(259,175)
Net Pension Liability		(775,721)
Other Liabilities		11,493
Customer Deposits		27,074
Deferred Gain		(1,236,962)
Deferred Pension Inflows		114,521
Net Cash Provided by Operating Activities	$	17,915,893

The Accompanying Notes are an Integral Part of These Financial Statements

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

The City of Camden, South Carolina (the "City") operates under the council-city manager form of government and provides the following services: public safety (police, fire, and code enforcement), utilities (water, sewer and electric), sanitation, maintenance, culture-recreation, public improvements, and general administrative services.

The City's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for governmental entities (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Principles Determining Scope of Reporting Entity

The financial statements of the City consist only of the funds of the City. The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

B. Basic Financial Statements - Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public safety, sanitation, maintenance, culture-recreation, public improvements, and general administrative services are classified as governmental activities. The City's utility services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investments in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the City:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City.

a. General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

b. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

c. Capital project funds are used to account for the construction, rehabilitation, and acquisition of capital assets, such as buildings, equipment, and roads.

2. Proprietary Funds

The focus of the proprietary funds' measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

a. Proprietary funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

D. Basis of Accounting

The government-wide statement reports using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial recourses measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Major revenue sources susceptible to accrual include sales and use taxes, hospitality and accommodations taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary, continuing operations of the fund. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

E. Budgets and Budgetary Accounting

The annual budget for the General Fund, Local Tax Fund and Capital Project Fund is prepared in accordance with the basis of accounting utilized by that fund. The budget for the Proprietary Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, nonoperating income and certain nonoperating expense items are not considered.

The City of Camden follows these procedures in establishing budgetary data reflected in the financial statements:

1. The City Manager submits a proposed operating budget for the fiscal year to the City Council. The operating budget includes proposed expenditures and the means of financing them.

2. Prior to July 1, the budget is legally enacted through passage of an ordinance.

3. The City Manager is authorized to transfer budgeted amounts within and between departments as necessary to achieve the goals of the budget. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

4. Budgeted amounts reflected in the accompanying financial statements are as amended by the City Council.

Budget - Special Revenue

The City has not presented budget information for all of the special funds since budgetary control is maintained on an individual grant basis. Since grant periods may differ from the City's fiscal year, a comparison of budgetary information for the total special revenue fund would not be meaningful and has not been presented in the accompanying financial statements.

F. Deposits and Investments

The City considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Investments are recorded at fair value, except for investments with maturity or one year or less from date of purchase, which are stated at amortized cost. Fair value is based on quoted market prices.

Investment Credit Risk - The City has financial policies that limit its investment choices other than the limitation of state law. The South Carolina Code 6-5-10 permits the City to invest in the following types of instruments:

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deposits and Investments (Continued)

1. Obligations of the United States, and its agencies, the principal and interest of which is fully guaranteed by the United States.
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to the refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
3. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
4. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
6. Repurchase agreements when collateralized by securities as set forth in this section.
7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

G. Inventories and Prepaids

Inventories in governmental funds and proprietary funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at lower of cost or net realizable value and are recorded as expenditures, at the time individual inventory items are used.

Prepaid record payments to vendors benefit future reporting periods and are also reported on the consumption basis. Both inventories and prepaid are similarly reported in government-wide and fund financial statements.

H. Allowance for Uncollectible Accounts

Allowance for uncollectible accounts receivable in the proprietary fund at June 30, 2025 is $546,879.

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets, Depreciation, and Amortization

Capital assets purchased or acquired with an original cost of $5,000 or more are stated at historical cost or estimated historical cost. Donated capital assets are stated at their fair value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Grounds	5 - 40
Improvements	2 - 40
Mobile Equipment	3 - 20
Furniture, Fixtures and Equipment	3 - 20

J. Long-Term Debt, Deferred Debt Expense and Bond Discount/Premiums

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond insurance costs and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. Issuance costs are reported as expenditures.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

K. Fund Equity

The following classification describes the relative strength of the spending constraints placed on the purpose for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory and prepaid) or are required to be maintained intact,
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation,
- Committed fund balance - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes same highest-level action to remove or change the constraint,
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority,
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

Committed Fund Balance

The City Council committed 19.2 mils of its tax millage specifically for road paving. The balance unspent at June 30, 2025 was $1,570,109. The City Council committed 13.8 mils of its tax millage specifically for project improvements. The balance unspent at June 30, 2025 was $140,518. These previous two amounts are shown as committed in the Capital Projects Fund. The City Council passed a 2% hospitality tax effective December 1, 2009 that is accounted for in the Special Revenue account as the Local Tax Fund.

Committed Fund Balance (Continued)

The fund balance of the local tax fund is $1,255,141 includes the following commitment. The City Council passed an ordinance committing $250,926 of proceeds from the sale of its Watershed property that is included in the Local Tax Special Revenue. This money cannot be spent without an ordinance authorizing it by the City Council and is recorded in the General Fund.

Fund Transfers

The City Council has passed an ordinance restricting the amount that can be transferred to other funds to twenty percent (20%) of capital assets, net of related debt.

Capital Assets, Net of Related Debt at June 30, 2025	$ 104,431,723
Maximum Amount that can be Transferred during the Year Ended June 30, 2025	$ 20,886,345
Amount Transferred from combined utility system (Enterprise Fund) to General during the year ended June 30, 2025	$ 2,266,000

L. Revenue Recognition - Property Taxes

Real property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on or around October 1 and are due and payable on or before January 15 of the following year. All unpaid taxes become delinquent January 15 of the following year. City property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

Penalty Dates
For 2025 Taxes with Payment in 2026

Taxes must be paid by	Penalty applies on	Amount of Penalty
January 15, 2026 (Thursday)	January 16 (Friday)	3%
February 2, 2026 (Monday)*	February 3 (Tuesday)	Additional 7%
March 16, 2026 (Monday)	March 17 (Tuesday)	Additional 5%

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

M. Compensated Absences

The government recognizes a liability for compensated absences that is more likely than not to be used or paid, provided the leave is attributable to services already rendered and accumulates over time. Compensated absences include vacation leave, sick leave, and other paid time off (PTO). The liability is measured based on the employee's current pay rate as of the financial statement date. Salary-related payments, such as FICA, Medicare taxes and workers' compensation, are included in the liability measurement.

As of June 30, 2025, the liability for accrued vacation is $414,304. The amount applicable to the General Fund is $310,004 and the amount applicable to the Proprietary fund is $104,300.

NOTE 1 SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Stablization Fund

During the year ended June 30, 2024, the City approved and allocated $1,000,000 to a deferred liability for a stabilization fund. Per City Policy, the rate stabilization fund can be established when surpluses occur to provide a reserve that can be utilized to pay for future unanticipated changes in budgeted costs that otherwise may cause increases in rates charged to customers.

O. Statement of Cash Flows

For the purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

P. Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 2 DEPOSITS and INVESTMENTS

Deposits are shown at carrying value at June 30, 2025 as follows:

	Category				Total
				Bank	Carrying
	1	2	3	Balance	Amount
Checking Accounts	$ 1,002,552	$ 9,323,298	$ -	$ 10,325,850	$ 11,219,502
Savings Accounts	565,430	-	-	565,430	82,812
Certificates of Deposit	162,308	-	-	162,308	162,308
	$ 1,730,290	$ 9,323,298	$ -	$ 11,053,588	$ 11,464,622

The City's deposits are categorized to indicate the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities held by the government or its agent in the government's name. Category 2 includes deposits that are collateralized with securities held by pledging financial institution's trust department or agent in the government's name. Category 3 includes uncollateralized deposits or deposits collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

NOTE 2 DEPOSITS and INVESTMENTS (CONTINUED)

Investments are carried at fair value at June 30, 2025 as follows:

	Category			Fair
	1	2	3	Value
U.S. Government Securities	$ -	$ 2,819,627	$ -	$ 2,819,627
	$ -	$ 2,819,627	$ -	
S.C. Local Government Investment Pool (Fair value substantially equivalent to the value of the pool shares)				$ 24,335,455
Total				$ 27,155,082

The City's investments are categorized to indicate the level of risk assumed by the City at June 30, 2025. Category 1 includes investments that are insured or registered for which the securities are held by the City or its agent in the City's name. Category 2 includes investments that are uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name. Category 3 includes investments that are uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the City's name. The South Carolina Local Government Investment Pool is run by the State Treasurer's Office and can invest only in the same type of instruments allowed by the City under state law.

As required by the Master bond ordinance, the City entered into an agreement with a third-party financial institution (third party) whereby the City's trustee for its utility revenue bonds (bonds) is required to transfer the City's monthly debt service payments on the bonds to the third party for investment and the third party for its own benefit. Simultaneous to the transfer of the debt service payments, and as security for bondholders, the third party is required to deposit with the trustee an equivalent amount of direct, full faith and credit non-callable obligations of the United States of America or other securities which the trustee is permitted to invest in by the relevant bond ordinances.

A reconciliation of cash, cash equivalents and investments as shown in the combined statement of net position for the primary government as of June 30, 2025 is as follows:

Petty Cash and Other	$ 1,700
Carrying Amount of Deposits	11,464,622
Carrying Amount of Investments	27,155,082
Total	$ 38,621,404
Cash and Cash Equivalents	$ 11,304,014
Certificates of Deposit - Restricted for Customer Deposits	162,308
Investments	24,335,455
Investments - Restricted for Debt Service	2,819,627
Total	$ 38,621,404

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Primary Government				
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Capital Assets not Being Depreciated:					
Land	$2,701,534	$ 743,167	$ -	$ -	$ 3,444,701
Historical Collections	700,000	-	-	-	700,000
Total Capital Assets not Being Depreciated	3,401,534	743,167	-	-	4,144,701
Other Capital Assets:					
Building and Improvements	21,504,795	84,257	-	-	21,589,052
Equipment	2,652,033	84,456	(76,814)	-	2,659,675
Automotive Equipment	9,088,650	380,543	(660,384)	-	8,808,809
Streets, Sidewalks, Etc.	9,761,943	168,472	-	-	9,930,415
Total Other Capital Assets at Historical Cost	43,007,421	717,728	(737,198)	-	42,987,951
Less Accumulated Depreciation for:					
Buildings and Improvements	(9,506,197)	(548,733)	-	-	(10,054,930)
Equipment	(1,607,363)	(243,087)	76,814	-	(1,773,636)
Automotive Equipment	(5,877,917)	(481,793)	660,384	-	(5,699,326)
Streets, Sidewalks, Etc.	(3,865,533)	(157,709)	-	-	(4,023,242)
Total Accumulated Depreciation	(20,857,010)	(1,431,322)	737,198	-	(21,551,134)
Other Capital Assets, Net	22,150,411	(713,594)	-	-	21,436,817
Governmental Activities Capital Assets, Net	$ 25,551,945	$ 29,573	$ -	$ -	$ 25,581,518

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Primary Government				
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Capital Assts not Being Depreciated:					
Land and Improvements	$ 501,916	$ -	$ -	$ -	$ 501,916
Construction in Progress	8,115,613	6,991,005	-	(6,748,316)	8,358,302
Total Capital Assets not Being Depreciated	8,617,529	6,991,005	-	(6,748,316)	8,860,218
Other Capital Assets:					
Electric System	70,691,958	1,457,866	-	(980,485)	71,169,339
Water Plant	40,891,911	153,661	-	(34,233,449)	6,812,123
Water System	-	211,831	(55,705)	34,432,272	34,588,398
Sewer System	33,091,654	108,878	-	4,940,390	38,140,922
Electric Instruments	949,927	-	(127,299)	1,582,149	2,404,777
Water Instruments	1,076,595	-	(27,185)	-	1,049,410
Sewer Instruments	835,539	-	(1,382)	15,999	850,156
Automotive Equipment	3,853,072	190,598	(120,008)	47,713	3,971,375
Office Machines	121,293	19,305	-	-	140,598
Buildings	377,490	-	-	-	377,490
Wastewater Treatment Plant	39,124,056	-	(90,673)	-	39,033,383
Paving	-	-	-	943,727	943,727
Total Other Capital Assets at Historical Cost	191,013,495	2,142,139	(422,252)	6,748,316	199,481,698
Less Accumulated Depreciation	(83,290,059)	(5,997,494)	422,252	-	(88,865,301)
Other Capital Assets, Net	107,723,436	(3,855,355)	-	6,748,316	110,616,397
Business-Type Activities Capital Assets, Net	$116,340,965	$ 3,135,650	$ -	$ -	$ 119,476,615

Depreciation and amortization expense was charged to functions as follows for the year ended June 30, 2025:

GOVERNMENT ACTIVITIES:	
General Government	$ 548,733
Public Safety	481,793
Highways and Streets	79,158
Sanitation	64,136
Culture and Recreation	257,502
Total Governmental Activities Depreciation Expense	$ 1,431,322
BUSINESS-TYPE ACTIVITIES:	
Electric Department	$ 2,126,694
Water Department	1,378,297
Sewer Department	2,492,503
Total Business-Type Activities Depreciation and Amortization Expense	$ 5,997,494

NOTE 4 CHANGES in LONG-TERM DEBT-PROPRIETARY FUND

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance 06/30/2024	Issued	Retired	Balance 06/30/2025	Due Within One Year
Bond Improvements Fund, Series 2020	$ 40,080,000	$ -	$ 4,945,000	$ 35,135,000	$ 5,185,000
Total Revenue and Lease Obligations					

Long-Term Debt at June 30, 2025 consisted of the following:

Refunding and Improvement Revenue Bond, Series 2020 dated September 16, 2020, payable	
$2,770,000 to $6,495,000 each March 1, 2021 through 2031. Interest 2% to 5%.	$ 35,135,000
Total	$ 35,135,000

The annual requirements to amortize all bonds outstanding as of June 30, 2025 follow:

	Series 2020B		Total	
Year Ending	Principal	Interest	Principal	Interest
2026	$ 5,185,000	$ 1,569,150	$ 5,185,000	$ 1,569,150
2027	5,455,000	1,309,900	5,455,000	1,309,900
2028	5,735,000	1,037,150	5,735,000	1,037,150
2029	6,010,000	750,400	6,010,000	750,400
2030	6,255,000	733,058	6,255,000	733,058
2031	6,495,000	247,400	6,495,000	247,400
Totals	$ 35,135,000	$ 5,647,058	$ 35,135,000	$ 5,647,058

The City met the required debt coverage ratio of 1.20 at June 30, 2025 with the ratio being 3.35. The City implemented the several changes to make sure the ratio would continue to comply in the year ended June 30, 2025, including rate increases.

A portion of the Series 1997 Bond was advance refunded through the issuance of the Series 2004 Bond. The advance refunding extinguished $15,100,000 of the 1997 Bond. Because of this advance refunding, the City incurred a loss on retirement of debt of $1,916,000. The City has been amortizing this loss over twenty years. A portion of the Series 2004 Bond was advance refunded through the issuance of the Series 2013A Bond. The advance refunding extinguished $3,695,000 of the 2004 Bond. Because of this advance refunding, the City incurred a loss on retirement of debt of $157,251. The City is amortizing this loss over ten years. The remaining portion of the Series 2004 Bond was refunded through the issuance of the Series 2014 A Bond. Because of this refunding, the City incurred a gain on retirement of debt of $309,179. The City is amortizing this gain over ten years. In September 2020, the City refinanced all proprietary debt at a lower interest rate with the exception of the Series 2012A bond, the Series 2013A bond and the Series 2014B bond. This resulted in a bond premium of $10,496,582 which is being amortized over 10 years using the effective interest method.

Amortization for the year ended June 30, 2025 was $1,358,416 in the proprietary fund.

On May 13, 2025, the City of Camden issued a combined Public Utility System Revenue Bond Series 2025 in an amount not to exceed $5,525,000 with a maturity of June 1, 2045. The City drew down $5,524,997 on July 14, 2025. The Bond bears interest of 2.3% per annum for 20 years.

NOTE 5 CHANGES in GOVERNMENTAL FUND DEBT

A summary of the Governmental Fund Debt at June 30, 2025 is as follows:

Lease Obligation Payable, July 1, Annually at 2.15% Interest	$ 51,463
2015 Bond Obligation Payable, Semiannually at 3.18% Interest	1,342,000
2017 Bond Obligation Payable, Semiannually at 2.49% Interest	945,000
Lease Obligation Payable, January 1, Annually at 2.17% Interest	826,356
Lease Obligation Payable, June 1, Annually at 4.17% Interest	458,910
Lease Obligation Payable, June 1, Annually at 4.77% Interest	1,867,681
Total Lease and Bond Obligations	5,491,410
Liability for Compensated Absences	310,004
Total Long-Term Debt	$ 5,801,414

The following is a summary of the changes at June 30, 2025, in General Fund Debt:

	Payable 06/30/2024	Additions	Reductions	Balance 06/30/2025	Due Within One Year
Bond Obligations	$ 2,653,000	$ -	$ 366,000	$ 2,287,000	$ 377,000
Capital Leases	3,769,603	-	565,193	3,204,410	640,084
Total Bond & Lease Obligations	6,422,603	-	931,193	5,491,410	1,017,084
Compensated Absences	178,303	131,701	-	310,004	62,008
Total Governmental Activities Long-Term Debt	$ 6,600,906	$ 131,701	$ 931,193	$ 5,801,414	$ 1,079,092

The annual Debt Service Retirements to maturity, including principal and interest are:

Year Ended June 30,	Principal	Interest
2026	$ 1,017,084	$ 193,470
2027	1,000,716	156,866
2028	974,636	119,986
2029	1,010,329	84,287
2030	952,727	41,888
2031-2034	535,918	24,185
Totals	$ 5,491,410	$ 620,682

The City entered into agreements to lease various equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The following schedule presents future minimum lease payments as of June 30, 2025.

NOTE 5 CHANGES in GOVERNMENTAL FUND DEBT (CONTINUED)

Year Ended June 30,	Total
2026	$ 767,347
2027	714,502
2028	650,998
2029	650,800
2030	557,260
2031-2034	257,055
	3,597,962
Less: Interest	(393,552)
Present Value of Minimum Lease Payments	$ 3,204,410

The value of leased equipment less accumulated depreciation under capital leases at June 30, 2025 totals $2,512,237. Amortization of leased equipment under capital leases is included with depreciation expense.

NOTE 6 POST-EMPLOYMENT BENEFITS

Plan Description: The City sponsors a defined benefit post-employment healthcare plan (the "OPEB" plan). In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the City has autonomy in establishing retiree and post-employment benefits. The City provides a stipend for all Medicare-eligible retirees and Medicare-eligible dependent spouses with a $3,096 annual stipend for their supplemental medical premiums. Eligibility for this stipend is any employee in the employment of the City prior to May 12, 1993, who has ten years of consecutive service.

Plan Membership: As of July 1, 2024, the valuation date, six (6) active employees, forty-seven (47) retirees, twenty-one (21) retiree spouses and thirteen (13) beneficiaries met the eligibility requirement for the plan.

Plan Benefits and Contributions: The City currently funds the plan through stipends on an annual basis with increases at the City's discretion. For valuation purposes, no increases were calculated. For the year ended June 30, 2025, the City made contributions of approximately $458,132.

The City implemented Governmental Accounting Standards Board (GASB) Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers. GASB 75 requires a liability for OPEB obligations, known as the Net OPEB Liability (Total OPEB Liability for unfunded plans), to be recognized on the balance sheets of participating employers. Changes in the Net (or Total) OPEB Liability will be immediately recognized as OPEB expense on the income statement or reported as deferred inflows or outflows of resources, depending on the nature of the change.

NOTE 6 POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Method: Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following tables provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Total OPEB Liability

Discount Rate	**June 30, 2024**	**June 30, 2025**
Discount Rate:	3.93%	5.20%
20 Year Tax-Exempt Municipal Bond Yield	3.93%	5.20%

The discount rate was based on the Bond Buyer 20-Year Bond GO Index as of June 30, 2025.

Other Key Actuarial Assumptions

Valuation Date	July 1, 2022	July 1, 2024
Measurement Date	June 30, 2024	June 30, 2025
Inflation	2.30%	2.30%
Mortality	Pub. H-2010 Projected with MP - 2020	Pub. H-2010 Projected with MP - 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

The demographic assumptions used are predominantly consistent with those used in the July 1, 2024 actuarial valuations of the South Carolina Retirement System.

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: The June 30, 2025 information was rolled forward using the June 30, 2024 measurement date.

Changes in Total OPEB Liability and OPEB Expense	**Increase or (Decrease)**
Balance as of June 30, 2024	$ 3,871,899
Changes during Year:	
Service Cost	18,125
Interest on Total OPEB Funding	146,598
Effect of Economic/Demographic(Gains)/Losses	(326,671)
Effect of Assumptions Changes or Inputs	(351,384)
Benefit Payments	(322,717)
Balance as of June 30, 2025	$ 3,035,850

NOTE 6 POST-EMPLOYMENT EMPLOYEE BENEFITS (CONTINUED)

Total OPEB Expense		
Service Cost	$	18,125
Interest on Total OPEB Funding		146,598
Effect of Economic/Demographic Gains/Losses		(326,671)
Effect of Assumptions Changes or Inputs		(351,384)
Balance for the year ended June 30, 2025	$	(513,332)

Sensitivity Analysis

The following presents the City's Total OPEB Liability calculated using the discount rate of 5.20%. It also presents what the City's Total OPEB Liability would be if it were calculated using a discount rate one percentage point lower (4.20%) and one percentage point higher (6.20%) than the current rate.

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	$3,240,291	$ 3,035,850	$ 2,854,824

The following presents the City's Total OPEB Liability calculated using the current healthcare trend rates. It also presents what the City's Total OPEB Liability would be if it were calculated using healthcare trend rates that are one percentage point lower or one percentage point higher than the current rates.

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Total OPEB Liability	$3,039,481	$ 3,035,850	$ 3,023,676

NOTE 7 RETIREMENT PLAN

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTE 7 RETIREMENT PLAN (CONTINUED)

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state

Plan Descriptions

The South Carolina Retirement System (SCRS), a cost–sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

The South Carolina Police Officers Retirement System (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers police officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

NOTE 7 RETIREMENT PLAN (CONTINUED)

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation include a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

NOTE 7 RETIREMENT PLAN (CONTINUED)

	SCRS Rates	PORS Rates
Employer Contribution Rate		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
Total	18.56%	21.24%
Employee Contribution Rate	9.00%	9.75%

The required contributions and percentages of amounts contributed to the Plans were as follows:

Year Ended	SCRS Contributions		PORS Contributions		
June 30	Required	%Contributed	Required	%Contributed	Total
2025	$ 995,586	100%	$ 726,086	100%	$ 1,721,672

Eligible payrolls covered under the Plans were as follows:

Year Ended June 30	SCRS Payroll	PORS Payroll	Total
2025	$ 5,364,146	$ 3,418,482	$ 8,782,628

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0% to 11% (Varies by service)	3.5% to 10.5% (Varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	Lesser of 1% or $500	Lesser of 1% or $500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2025, TPL are as follows:

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Position Liability (Asset)	Plan Fiduciary Net Position as a % of the Total Pension Liability
SCRS	$ 61,369,806,968	$ 37,919,492,371	$ 23,450,314,597	61.8%
PORS	$ 10,177,904,231	$ 7,178,118,865	$ 2,999,785,366	70.5%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2025, the City reported a liability of $8,467,315 and $4,179,781 for its proportionate share of the net pension liability for the SCRS and PORS, respectively. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportion was .0341% for the SCRS and .1931% for the PORS.

For the year ended June 30, 2025, the City recognized pension expense of a negative ($312) and $253,061 for SCRS and PORS, respectively. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 3,835,416
Liability Experience	1,741,063	-
City Contributions Subsequent to the Measurement Date	1,721,672	-
Total	$ 3,462,735	$ 3,835,416

NOTE 7 RETIREMENT PLAN (CONTINUED)

The $1,721,672 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement Period Year Ended June 30,	Fiscal Year Ended June 30	
2025	2026	$ (1,255,486)
2026	2027	(283,811)
2027	2028	(405,252)
2028	2029	(149,804)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity	9.0%	9.60%	0.86%
Private Debt	7.0%	6.90%	0.48%
Real Assets	**12.0%**		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Real Return	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
			7.74%

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

NOTE 7 RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (In Thousands)			
System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	$ 10,374	$ 8,006	$ 5,824
PORS	$ 6,725	$ 4,641	$ 2,935

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTE 8 COMPONENTS of RESTRICTED ASSETS

The components of restricted assets were as follows at June 30, 2025:

Special Revenue Fund-Local Tax

	Revenue Bond Sinking and Revenue Fund
U.S. Government Securities	$ 275,488

Proprietary Fund

Restricted Assets at June 30, 2025 were as follows:

	Revenue Bond Sinking and Revenue Fund	Customer Deposits	Total
Cash and Certificates of Deposits	$ -	$ 162,308	$ 162,308
U.S. Government Securities	2,544,139	-	2,544,139
	$ 2,544,139	$ 162,308	$ 2,706,447

The ordinance authorizing the Electric, Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking Fund) in an amount not less than the maximum annual requirement for the payment of principal and interest on all the revenue bonds except for the SRF loan. At June 30, 2025, the sinking fund balance is being funded to satisfy such bond ordinance requirements.

NOTE 9 INTERFUND TRANSACTION

Operating Transfers

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary type fund financial statements generally reflect such transactions as transfers. Transfers are used to (1) move revenues from the fund that statue or budget requires to collect them to the fund that statue or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Individual fund operating transfers for fiscal year 2025 were as follows:

Fund	Transfer In	Transfer Out
General	$ 2,266,000	$ -
Utility Fund	-	2,266,000
Totals	$ 2,266,000	$ 2,266,000

NOTE 10 CAPITALIZED INTEREST

The City capitalizes net interest costs as part of the cost of constructing various water and sewer projects when material. Interests earned on proceeds of the revenue bonds used for construction are offset against interest costs in determining the amount to be capitalized. Interest costs expensed in the proprietary fund for the year ended June 30, 2025, were $1,761,650 and none was capitalized.

NOTE 11 COMMITMENTS and CONTINGENCIES

The City is a defendant in various lawsuits and asserted claims. Although the outcome of these lawsuits and asserted claims is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City receives state and federal grants for specific purposes that are subject to review and audit by state and federal agencies. Such audits could result in a request for reimbursement by the state and federal agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant.

NOTE 12 RISK MANAGEMENT

Participation in Public Entity Risk Pools for Property and Casualty Insurance

The City is participating in a Public Entity Risk Pools for Property and Casualty Insurance. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (“SCMIRF”) and the South Carolina Municipal Insurance Trust (“SCMIT”), which are public entity risk pools currently operating as a common risk management and insurance program for general risk insurance and workers compensation, respectively.

NOTE 12 RISK MANAGEMENT(CONTINUED)

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2025, the City made premium payments totaling approximately $497,251. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2024 totaled approximately $15,434,375. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City pays an annual premium to SCMIT for its workers' compensation insurance. For the year ended June 30, 2025, the City made premium payments totaling approximately $250,322. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net position from its most recently issued audited financial statements at December 31, 2024, totaled approximately $45,641,906. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

NOTE 13 PRIOR PERIOD ADJUSTMENT

During the June 30, 2025 audit, it was noted that City Council had revised the local option sales tax rollback to taxes from 100% to 71% in June 30, 2024. When the rollback was calculated at 71% instead of 100%, the local option sales tax reserves were used up on June 30, 2024. This resulted in an income of $541,568 that should have been posted on June 30, 2024. This was corrected in the current year. The effect of the entries was:

Fund Financial Statements		
Increase (Decrease) in Fund Balance/Net Position		
Governmental Funds	Utility Fund	Total
$ 541,568	$ -	$ 541,568

Government-Wide Financial Statements		
Increase (Decrease) in Net Position		
Governmental Activities	Business-Type Activities	Total
$ 541,568	$ -	$ 541,568

NOTE 14 RESTATEMENT OF NET POSITION

Effective for the fiscal year ended June 30, 2025, the City implemented GASB Statement No.101, Compensated Absences. This Statement requires recognition of a liability for compensated absences when (1) the absence is attributable to services already rendered, (2) it accumulates and carries forward to future reporting periods, and (3) it is not contingent on a future event (such as illness).

Previously, the City recognized a liability for compensated absences when amounts vested or were payable upon termination. Implementation of GASB 101 expanded recognition to include certain non-vesting sick leave.

The Government adopted GASB 101 using the modified retrospective approach as prescribed by GASB Statement No. 100, Accounting Changes and Error Corrections. Accordingly, the cumulative effect of adoption is reported as an adjustment to the beginning balances of net position as of July 1, 2024.

NOTE 14 RESTATEMENT OF NET POSITION (CONTINUED)

The change to the beginning net position is as follows:

	Governmental Activities Net Position	Business Type Activities Net Position
Ending Balance Per Fiscal Year 2024 Audit Before Restatement	$ 19,899,208	$ 84,774,826
Effect of GASB 101 Implementation	(37,028)	(18,937)
Balance, Restated	$ 19,862,180	$ 84,755,889

NOTE 15 SUBSEQUENT EVENTS

The City evaluated all events or transactions that occurred after June 30, 2025, through the date the City issued these financial statements on January 16, 2026. During this period, the City did not have any material subsequent events that required recognition in the City's disclosures to the June 30, 2025 financial statements.

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APPENDIX C

FORMS OF CERTAIN FINANCING DOCUMENTS

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The Purchase and Use Agreement

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INSTALLMENT PURCHASE AND USE AGREEMENT

between

CAMDEN PUBLIC FACILITIES CORPORATION
as Seller

and

CITY OF CAMDEN, SOUTH CAROLINA
as Buyer

$[Amount]
CAMDEN PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS)
SERIES 2026

Dated as of May 1, 2026

All right, title and interest of Camden Public Facilities Corporation in this Installment Purchase and Use Agreement (with certain exceptions) have been assigned to U.S. Bank Trust Company, National Association, as Trustee under the Trust Agreement dated as of May 1, 2026, and are subject to the security interest of the Trustee.

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INSTALLMENT PURCHASE AND USE AGREEMENT

This INSTALLMENT PURCHASE AND USE AGREEMENT dated as of May 1, 2026 (this "***Purchase and Use Agreement***"), is made and entered into by and between the CAMDEN PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the "***Corporation***"), a South Carolina nonprofit corporation, as seller, and the CITY OF CAMDEN, SOUTH CAROLINA (the "***City***"), a political subdivision of the State of South Carolina (the "***State***"), as buyer.

WITNESSETH

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

WHEREAS, the City is a political subdivision of the State and is authorized under the provisions of Sections 5-7-30 and 5-7-40, Code of Laws of South Carolina 1976, as amended, to enter into this Purchase and Use Agreement;

WHEREAS, the Corporation and the City have entered into a Base Lease Agreement dated as of May 1, 2026 (the "***Base Lease***") pursuant to which the City has conveyed the Existing Facilities (as defined herein) to the Corporation and is leasing the 2026 Real Property (as such term is defined in the Base Lease) to the Corporation so that the Corporation, as consideration, may provide for the 2026 Project (as defined herein) from the proceeds of the Series 2026 Bonds (as defined herein);

WHEREAS, at present, the City faces challenges to certain public facilities that require the construction, reconstruction, acquisition, installation, renovation, and equipping of city hall facilities and public safety facilities, including the development of a new city hall, and renovation and repurposing of the existing city hall into a new public safety complex, consisting of a new police headquarters, and upgraded fire headquarters (collectively, the "***2026 Project***"). The total costs of the 2026 Project, including financing costs therefor, are estimated not to exceed $[15,100,000], which will be paid from the proceeds of the Series 2026 Bonds, the Initial Installment Payment, and the Costs Advanced (as each such term is defined herein);

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

WHEREAS, in order to provide funds (i) to defray the cost of the 2026 Project, and (ii) to pay costs related to the issuance of the Series 2026 Bonds, including any premium due on any municipal bond insurance policy, the Corporation has entered into a Trust Agreement, dated as of May 1, 2026 (the "***Trust Agreement***"), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***"), and authorized the issuance of its $[Amount] Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "***Series 2026 Bonds***");

WHEREAS, the City Council of the City of Camden, the governing body of the City, has enacted an authorizing ordinance on April 21, 2026 (the "***Authorizing Ordinance***"), the provisions

of which authorize the City to enter into an installment purchase transaction for the purpose of effecting the financing of the 2026 Project and the City's purchase of the Facilities, subject to the conditions set forth in the Authorizing Ordinance;

WHEREAS, the City has agreed to make certain payments (as defined herein, the "***Installment Payments***") for the acquisition of the Facilities, and in return the Corporation has agreed to issue the Series 2026 Bonds for the purposes set forth herein, and, pending the acquisition of the Facilities pursuant to this Purchase and Use Agreement, the City shall be entitled to the use and occupancy of the 2026 Real Property and the Facilities; and

WHEREAS, all right, title, and interest of the Corporation in this Purchase and Use Agreement (with certain exceptions) including the right to receive Installment Payments, are being assigned by the Corporation to the Trustee under the Trust Agreement as security and a source of payment for the Series 2026 Bonds.

NOW, THEREFORE, for and in consideration of the Corporation's undertaking of the 2026 Project, 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 as set forth below.

"***2026 Project***" means the construction, reconstruction, acquisition, installation, renovation, and equipping of city hall facilities and public safety facilities, including the development of a new city hall, and renovation and repurposing of the existing city hall into a new public safety complex, consisting of a new police headquarters, and upgraded fire headquarters on the 2026 Real Property.

"***2026 Real Property***" has the meaning give such term in the Base Lease. As of the date of this Purchase and Use Agreement, the 2026 Real Property is as described on Exhibit A hereof.

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

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

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

"***Additional Real Property***" means any real property in addition to the 2026 Real Property that is or will become the site of Additional Facilities and as described in a supplement to the Base Lease.

"***Available Sources***" means any legally available funds lawfully appropriated by the City Council, and which may include, but is not limited to, general fund monies, enterprise fund transfers, revenues from local option sales taxes, proceeds of general obligation debt or Additional Bonds.

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

"***Base Lease***" means the Base Lease Agreement dated as of May 1, 2026, between the City and the Corporation, as it may be amended or supplemented from time to time.

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

"***Bond Proceeds***" means the gross proceeds received from the issuance and sale of the Series 2026 Bonds.

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

"***City Hall Facilities***" means that Facilities Component described at Exhibit B hereto.

"***City Facilities***" means that portion of the Facilities (whether a complete Facilities Component or a City Partial Facilities Component) 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 3.3(b) hereof.

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

"***Costs Advanced***" means the sum of all costs advanced by the City prior to the date hereof (1) in furtherance of the 2026 Project, (2) evidenced by paid invoices related to property acquisition, construction expenses and architect and engineering expenses, and (3) properly chargeable to the capital account of the 2026 Project as certified by the City to the Trustee at the closing of the Series 2026 Bonds. Costs Advanced total $2,500,000.

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

"***Environmental Laws***" means all federal, State and local laws, rules, regulations, ordinances, programs, permits, guidance, orders and consent decrees relating to health, safety and

environmental matters, including, but not limited to, the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, state and federal superfund and environmental cleanup programs and laws and U.S. Department of Transportation regulations.

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

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

"***Existing Facilities***" has the meaning given such term in the Base Lease.

"***Facilities***" means the improvements currently existing and to be constructed on the 2026 Real Property (including the Existing Facilities and the 2026 Project and any other the improvements currently existing or to exist on the 2026 Real Property (subject to Section 3.1(c) hereof)), including fixtures and any future additions, modifications, and substitutions to any facilities on the 2026 Real Property and any personal property located on the 2026 Real Property financed with the Series 2026 Bonds, as described in Exhibit B hereto.

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

"***Fiscal Year***" means the fiscal year of the 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, asbestos-containing materials and lead), the generation, handling, storage, transportation, disposal, treatment, release, discharge or emission of which is subject to any Environmental Law.

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

"***Initial Installment Payment***" has the meaning given such term in Section 4.1 hereof.

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

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

"***Outstanding***" has the meaning given such term in the Trust Agreement.

"***Partition Consultant***" means a person, firm or corporation selected by the Trustee, who or which is experienced in public finance and in the valuation of public facilities and is not a full-time employee of the Trustee, the City or the Corporation.

"***Partition Date***" has the meaning given such term in Section 2.4 hereof.

"***Permitted Encumbrances***" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to the provisions of Sections 4.1 and 4.2, respectively, of this Purchase and Use Agreement; (ii) the other Security Documents; (iii) utility, access and other easements and rights-of-way, restrictions and exceptions which do not interfere with or impair the use of the 2026 Real Property or the Facilities, including rights or privileges in the nature of easements; (iv) any financing statements filed to provide notice of security interests pursuant to this Purchase and Use Agreement or the Trust Agreement; and (v) the matters described on Exhibit C hereto.

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

"***Public Safety Facilities***" means that Facilities Component described at Exhibit B hereto.

"***Purchase Option Price***" means an amount equal to the amount required to defease or otherwise discharge the Series 2026 Bonds Outstanding under the Trust Agreement plus the amount of any Additional Payments which are due or accrued hereunder at the time which any purchase option hereunder is exercised.

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

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

"***Security Documents***" means this Purchase and Use Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Holders of the Series 2026 Bonds, provided all Security Documents, or copies thereof, must be filed with the Trustee.

"***Series 2026 Bonds***" means the $[Amount] Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 of the Corporation, authorized by and secured under the Trust Agreement.

"***State***" means the State of South Carolina.

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

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

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

Section 1.3 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 ensure that the proceeds of the Series 2026 Bonds and Initial Installment Payment are applied solely to pay the costs of the 2026 Project and will take such action as is necessary to assure that the 2026 Project is completed, furnished, and occupied by the City. In the event the amounts available from the Bond Proceeds together with the Initial Installment Payment and Costs Advanced appear to be insufficient for such purpose, the City will use its best efforts to provide for the payment of such costs from Available Sources.

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

(e) Except as disclosed in the Official Statement for the Series 2026 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.

(f) Except as disclosed in the Official Statement for the Series 2026 Bonds, there are no proceedings pending or, to the knowledge of the City, threatened in writing against or affecting 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 and the Base Lease.

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

(i) are within the governmental powers and have been duly and validly authorized by all necessary governmental and other action on the part of the 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 and the Base Lease) 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 this Purchase and Use Agreement and the Base Lease or the City's ability to perform fully its obligations under this Purchase and Use Agreement and the Base Lease; nor will such action result in any violation of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the City, its properties or operations are subject.

(h) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Purchase and Use Agreement, or the passage of time or giving of notice or both, would constitute an Event of Default. The 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 other Security Documents), of any terms of any court order, statute, regulation, ordinance, agreement, or other instrument to which it is a party or by which it, its properties or its operations may be bound.

(i) This Purchase and Use Agreement is a legal, valid and binding obligation of the 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.

(j) The use and the operation of the 2026 Real Property and the Facilities in the manner contemplated will not conflict in any material respect with any zoning, water, or air pollution or other ordinance, order, law, rule, or regulation applicable to the 2026 Real Property and the Facilities including, without limitation, Environmental Laws. The City will operate or will cause the Facilities to be operated in compliance with the requirements of all such laws, ordinances, rules and regulations, including, without limitation, Environmental Laws. The 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 obligation it is to so comply by contract or pursuant to law to comply in all material respects with and materially conform to, all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and every applicable governmental authority, including Environmental Laws applicable to the 2026 Real Property and the Facilities, and all covenants, restrictions and conditions now or hereafter of record which may be applicable to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the 2026 Real Property and the 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 2026 Real Property or the 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 Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the Facilities have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals that are not yet required and that will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the operation of the Facilities. The 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 Facilities.

(k) The City has approved the formation of the Corporation and the issuance by the Corporation of the Series 2026 Bonds.

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

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

(n) To its knowledge, Hazardous Materials have not at any time been generated, used, treated, recycled, stored on, or transported to or from, or released, deposited, or disposed of on the portion of the 2026 Real Property owned by it on the date hereof other than in compliance at all times with all applicable Environmental Laws.

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

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

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

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

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

(e) Each of this Purchase and Use Agreement, the Base Lease, and the Trust Agreement has been or will be duly executed and delivered by the Corporation and constitutes or will constitute a legal and valid obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in the Official Statement for the Series 2026 Bonds, there is no litigation pending and served on the Corporation that challenges the Corporation's authority to execute, deliver, or perform its obligations under this Purchase and Use Agreement and the Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

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

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

(i) To defray the costs of the 2026 Project, and for such other purposes contemplated hereby and by the Trust Agreement, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2026 Bonds payable from and secured by the Installment Payments under this Purchase and Use Agreement.

* * *

ARTICLE II

INSTALLMENT SALE OF FACILITIES; USE OF 2026 REAL PROPERTY AND FACILITIES AND TERM THEREOF

Section 2.1 Installment Sale of Facilities; Use of 2026 Real Property and Facilities; Term. The Corporation hereby agrees to sell the Facilities to the City in accordance with the provisions hereof. On the date hereof, the Corporation has a valid leasehold interest in the 2026 Real Property and holds fee title to the Facilities thereon.

As a result of Costs Advanced and the Initial Installment Payment at closing of the Series 2026 Bonds and upon the payment of each payment of Base Payments from funds other than amounts constituting Bond Proceeds (including income from the investment of such amounts), title to an undivided interest in the Facilities equal to that percentage of the Purchase Price represented by such payment will transfer from the Corporation to the City without further action by either party hereto.

Any prepayment of Base Payments which is used to redeem any Series 2026 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 ownership interest in the Facilities equal to that percentage of the total Purchase Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date, after giving credit to the Costs Advanced and the Initial Installment Payment.

Subject to the provisions of Article VIII hereof, the City shall have the exclusive right to occupy and use the 2026 Real Property and the Facilities during the term hereof. Subject to the provisions of Sections 2.2 and 2.3 hereof, this Purchase and Use Agreement shall be for a term beginning with the date of execution and delivery hereof, and ending on April 1, 2051.

During the term hereof, the City may permit use of portions of the 2026 Real Property and the Facilities subject to the following limitations: (i) the 2026 Real Property and the 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; (ii) any such agreement shall be voidable by the Trustee upon the occurrence of an Event of Default or an Event of Nonappropriation hereunder; and (iii) the City shall monitor all such use to ensure continued compliance with the provisions of the Tax Certificate, if any, relating to the Series 2026 Bonds and Section 5.3 hereof.

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

(a) the occurrence of an Event of Nonappropriation which is not thereafter duly waived or cured;

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

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

(d) the later of [April 1, 2051], which date constitutes the last day of the term hereof, or such date as all Installment Payments due hereunder shall be paid in full.

Termination of the term of this Purchase and Use Agreement shall terminate all obligations of the 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 this Purchase and Use Agreement, including all obligations of the Corporation with respect to the Holders of the Bonds and the receipt and disbursement of funds and all rights and remedies of the Corporation specifically provided herein, shall be continuing until the Trust Agreement is discharged as provided therein. Notwithstanding the foregoing, termination of the term of this Purchase and Use Agreement shall not impair the 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 with each such period 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, the City and the Corporation shall proceed to partition the Facilities so that the percentage of undivided interests in the title to the Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components in accordance with Exhibit E hereof and the following provisions. The date upon which the Trustee gives such written direction shall be the "***Partition Date***."

Division of Facilities. Within a reasonable time after the Partition Date (but in no event longer than 60 days after the Partition Date), the City and the Corporation shall propose a division of Facilities or, in the event the City and the Corporation notify the Trustee in writing that they are unable to agree on a proposed division or they have not proposed a division of the Facilities within the time period provided by the previous sentence, the Trustee and the Partition Consultant, if selected, shall propose a division of the Facilities within a reasonable time after the Partition Date. In all events, Trustee may, in its sole discretion, select a Partition Consultant to assist, consult with and make recommendations to the Trustee in the division of the Facilities. The Trustee and the Partition Consultant, if selected, shall endeavor, to the extent practicable, to allocate the Facilities between the 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 (2) if portions of the Facilities and Facilities Components will be assigned

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

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

Partial Divisions. In the event that the Trustee 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 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 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 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.

Partition Report; Finality. The Trustee and the Partition Consultant, if selected, shall make a report regarding the division of the Facilities as soon as practicable after the Partition Date. Absent manifest error, the partition report shall be final and binding upon all parties.

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

such partition; provided, however, that any conveyance deed or other instrument made by the Corporation shall be made in the manner and subject to the conditions set forth in Section 9.2 hereof. Immediately thereafter, the 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 2026 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 retained by the Corporation in connection with such partition shall remain, at all times, subject to the terms of the Base Lease.

* * *

ARTICLE III

USE AND DISBURSEMENT OF PROCEEDS

Section 3.1 Issuance of Series 2026 Bonds; Construction of 2026 Project. (a) Upon the issuance of the Series 2026 Bonds, the Trustee will deposit the proceeds of the Series 2026 Bonds into the Project Fund and the Cost of Issuance Fund, in the amounts specified in Section 5.1 of the Trust Agreement, to be used (i) to defray the cost of the 2026 Project, and (ii) to pay costs related to the issuance of the Series 2026 Bonds.

(b) The Corporation and the City acknowledge that the City, as agent for the Corporation, will be responsible for obtaining any and all contracts and agreements necessary or appropriate for the purchase and installation, or for any construction or installation to be performed in connection with the 2026 Project and the City shall be the agent of the Corporation for all such purposes.

(c) The City may install machinery, equipment, and other tangible personal property in the Facilities and on the 2026 Real Property and all such machinery, equipment and other tangible personal property not acquired or financed with the proceeds of the Bond Proceeds or the Initial Installment Payment will remain the sole property of the City.

Section 3.2 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 2026 Project. To the extent permitted by law, 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 3.3 Disbursements from the Project Fund and the Cost of Issuance Fund. (a) The (i) balance of the Bond Proceeds (net of any underwriter's discount, and costs of issuance, and (ii) Initial Installment Payment, shall be deposited by the Trustee into the Project Fund (and the accounts therein described in Section 5.2 of the Trust Agreement). As provided in Section 5.1 of the Trust Agreement, disbursements from the Cost of Issuance Fund (as described in Section 5.2 of the Trust Agreement) shall be made to provide for payment of the costs of issuance of the Series 2026 Bonds, and disbursements from the Project Fund shall be made to defray the costs of the 2026 Project.

(b) As provided in Section 5.3(b) of the Trust Agreement, the final requisition from the Project Fund shall contain, among other things, a certification by the Corporation and the City stating that the 2026 Project has been substantially completed in accordance with the terms and conditions of this Purchase and Use Agreement and compliance in all material respects with all applicable governmental regulations. As used in this paragraph, "substantial completion" of the 2026 Project shall mean completion such that the equipment and improvements undertaken in connection therewith are in working condition notwithstanding the fact that certain minor items of work remain to be done.

(c) Upon receipt of the final requisition with respect to the 2026 Project, the Trustee shall apply any balance then remaining in the Project Fund in the manner provided in Section 5.4 of the Trust Agreement.

* * *

ARTICLE IV

INSTALLMENT PAYMENTS; ASSIGNMENT TO TRUSTEE

Section 4.1 Installment Payments.

(a) *Installment Payments to Constitute a Current Expense of the City*. 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 by the City Council from Available Sources to pay Installment Payments due in each Fiscal Year hereunder, and shall not in any way be construed to be a debt of the 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 Available Sources, general tax revenues, funds, moneys, or credit of the City.

It is understood and agreed that an initial Installment Payment (the "***Initial Installment Payment***") shall be paid by the City as of the date hereof as a single payment in the amount of $2,000,000 and that the sources of funds from which the City intends to make the Initial Installment Payments are Available Sources, and the City has identified such sources and approved the amounts of such funds from such sources for use in making the Initial Installment Payment. It is also understood and agreed that Costs Advanced by the City in furtherance of the 2026 Project prior to the date hereof in the amount of $2,500,000 shall result in a proportionate percentage ownership interest in the 2026 Project as reflected in Exhibit E.

(b) *Payment of Base Payments.* Subject to an Event of Nonappropriation as described in Section 4.7 hereof, on or before the 15th day of the month prior to each Bond Payment Date during the period this Purchase and Use Agreement is in effect, the City shall pay to the Trustee, as assignee of the Corporation, the Base Payments (exclusively from Available Sources specifically budgeted and appropriated for such purpose in lawful money of the United States of America), which payments shall be made to the Trustee as assignee of this Purchase and Use Agreement, in the amounts set forth on Exhibit D hereto; provided, that nothing herein shall constitute a pledge of the Available Sources, general tax revenues, funds, moneys, or credit of the City, and payments on account thereof, if and when received by the Trustee, shall satisfy the City's obligation to make any Base Payment then due and shall constitute such Base Payment to the extent received. Each payment of the Base Payments, and the payment of the Initial Installment Payment, shall be in consideration for the conveyance of title to an undivided ownership interest in the Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of the Base Payments and the Initial Installment Payment, the City shall be entitled to the use and occupancy of all of the 2026 Real Property and the Facilities during the applicable Fiscal Year in which such payments are or will be made.

(c) *Payment of Additional Payments.* The 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) Any amounts due upon receipt of written notice from the Trustee pursuant to Section 5.5(e) of the Trust Agreement;

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

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

(v) Amounts required to pay premiums on insurance for the 2026 Real Property or the Facilities if such amounts are not paid directly by the City to the applicable insurer.

The Corporation may, but shall be under no obligation to, advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2026 Real Property and the Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2026 Real Property and the Facilities, (iii) to obtain and maintain insurance for the 2026 Real Property and the 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 take any such action. Any such advances shall continue to be due as Additional Payments hereunder.

(d) *Credits*. 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 Acquisition Account (as defined in the Trust Agreement) to be credited against those payments, including without limitation accrued interest on the Series 2026 Bonds to the extent such amounts will be used to make payments on the Series 2026 Bonds. In this connection, if applicable, when amounts remaining in a subaccount of the Reserve Account equal or exceed the remainder of the applicable Base Payments due, such amounts shall be transferred to the applicable subaccount of the Acquisition Account as and when needed for payment of such Base Payments.

(e) *Continuation of Term by City.* The City has no reason to believe, as of the date hereof, that it will not continue making Installment Payments through the entire term of this Purchase and Use Agreement, and reasonably believes that it will pay the Installment Payments due or coming due hereunder in order to continue to use the Facilities. The 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 City shall deliver notice to the Trustee within five

days of receipt of a petition conforming to Section 5-17-20 of the South Carolina Code requesting repeal of an ordinance authorizing general obligation debt.

All representations and covenants contained in this Purchase and Use Agreement are subject to the ability of the 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 2026 Real Property and the Facilities and the use of the 2026 Real Property and the Facilities which do not constitute Base Payments, or other obligations relating to the 2026 Real Property and the Facilities which may arise or become due during the term of this Purchase and Use Agreement and which the Corporation except for this Purchase and Use Agreement or the terms of the Base Lease would ordinarily be required to pay as owner of the 2026 Real Property and the 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 under this paragraph (a). The City acknowledges that, under the provisions of the Base Lease, it has retained responsibility for the payment of taxes and insurance on the 2026 Real Property and the 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 hereof and the other Security Documents, 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 2026 Real Property and the 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 (i) the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and (ii) the sale of the Facilities or any part thereof to satisfy the same or to enforce such compliance; provided further, that the 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 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 2026 Bonds as provided in Section 4.1 of the Trust Agreement. The City shall notify the Trustee in writing of the dates on which the Series 2026 Bonds corresponding

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

Section 4.4 Administrative Expenses. Subject to the provisions of Section 4.7 hereof, the City shall pay as Additional Payments (i) the periodic fees and expenses from time to time of the Trustee and any Paying Agent incurred in administering the Trust Agreement and the Series 2026 Bonds, and (ii) any expenses, including, but not limited to, fees for legal, financial and accounting services and costs of directors and officers insurance incurred by the Corporation or the Trustee to compel full and punctual performance of this Purchase and Use Agreement in accordance with the terms hereof.

Section 4.5 Assignment of Purchase and Use Agreement, Manner of Payment. As security for and the source of payment of the Series 2026 Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Purchase and Use Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4, and 5.5 hereof and to receive notices thereunder. The 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, and to make all payments required by the City 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 pay the Installment Payments provided for in this Purchase and Use Agreement beyond the end of such Fiscal Year (except as otherwise provided herein). If this Purchase and Use Agreement is terminated under this Section 4.6 or as provided in Section 4.7 or Section 2.2, the City agrees to peaceful delivery of that portion of the Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

The obligations of the 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 2026 Real Property or the Facilities, failure of the Corporation to complete the acquisition, construction, installation, or equipping of the 2026 Project, failure of the City to occupy or to use the Facilities as contemplated in this Purchase and Use Agreement or otherwise, any change or delay in the time of availability of the 2026 Real Property or the Facilities, any acts or circumstances which may impair or preclude the use or possession of the 2026 Real Property or the Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the 2026 Real Property or the Facilities or in the suitability of the 2026 Real Property or the 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 2026 Real Property or the Facilities, the taking by eminent domain of title to or the use of all or any part of the 2026 Real Property or the Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Purchase and Use Agreement.

Nothing contained in this section shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained. In the event the Corporation should fail to perform any such agreement on its part, the 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. Upon the occurrence of an Event of Nonappropriation, the following provisions shall apply:

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

to have occurred, the Trustee shall as soon as practicable give written notice to the 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) of this Section 4.7, this Purchase and Use Agreement will be terminated pursuant to Section 2.2.

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

(d) Subject to Article VIII hereof and notwithstanding the provisions of subsection (c) of this Section 4.7, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (i) of the definition thereof) which is cured by (i) the 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, or (ii) the issuance of bonds, notes or other obligations prior to the expiration of the Waiver Period, and the appropriation of the proceeds thereof, for the purpose of, and providing sufficient funds for, refunding, refinancing and discharging all Series 2026 Bonds then Outstanding.

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, the City shall continue to be liable for Installment Payments pursuant to Section 2.3 hereof.

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 no later than 60 days after the partition report becomes final in accordance with Section 2.4 hereof.

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in all funds created under the Trust Agreement for the benefit of the Holders of the Series 2026 Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such Event of Nonappropriation occurs by notice, or the July 16 following (i) the July 15 on which the City fails to specifically budget and appropriate sufficient moneys to pay the Installment Payments due hereunder, or (ii) the June 1 on which the City fails to enact an ordinance authorizing the issuance of general obligation bonds for the purpose of paying the Installment Payments due hereunder, the Trustee shall, or may, as the case may be, proceed to exercise its remedies, liquidate its interest in this Purchase and Use Agreement or lease the Corporation Facilities (after the partition and delivery thereof pursuant to Section 2.4 hereof)

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

Notwithstanding anything in this Purchase and Use Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee, and all other amounts which are payable hereunder, in excess of the principal amount of the Outstanding Series 2026 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 2026 Real Property and 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, use and maintain the 2026 Real Property and the Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, and maintain, preserve and keep the 2026 Real Property and the Facilities in good repair, working order and condition, and that it shall from time to time make or cause to be made all necessary and proper repairs and renewals so that at all times the operation of the Facilities may be properly and advantageously conducted. This covenant shall not prevent the City from discontinuing operation of the Facilities at any time.

(b) Except as otherwise provided in this Section 5.1 and in Section 2.1 hereof and the Base Lease, prior to payment of the Series 2026 Bonds in full, the City shall not sell, transfer, lease, sublease, or otherwise dispose of all or any portion of the 2026 Real Property and the Facilities, or its interests under this Purchase and Use Agreement, except to another political subdivision of the State, which assumes in writing all obligations of the City under this Purchase and Use Agreement and shall enter into no such transaction without the written consent of the Trustee.

(c) Notwithstanding any other provision hereof to the contrary, the City may provide for the exchange of any asset comprising the Facilities, including the portion of the 2026 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 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, or the conversion of its use to another purpose), (B) after taking into account the deletion, modification or exchange of the Released Facility, the insured value of the Facilities owned by or allocated to the Corporation shall be in excess of 100% of the outstanding principal amount of the Bonds, (C) the proposed Exchange Facility (if any) has a value equal to or greater than the proposed Released Facility, and (D) the Exchange Facility (if any) is necessary or desirable to the operations of the City and the remaining useful life of such Exchange Facility is not less than the remaining useful life of the Released Facility; and

(iii) the Trustee receives an opinion of Bond Counsel to the effect that the proposed exchange, deletion or modification will not adversely affect the federal income tax treatment of interest paid to the Holders of the Series 2026 Bonds.

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 S&P Global Ratings ("***S&P***") or Moody's Investor's Service, Inc. ("***Moodys***"), if then rating the Bonds.

Section 5.2 Liens on 2026 Real Property and the Facilities. The City shall not create, incur, or suffer to exist any lien, charge, or encumbrance on the 2026 Real Property or the Facilities or its rights under this Purchase and Use Agreement other than any Permitted Encumbrance.

Section 5.3 Representations and Covenants Regarding Tax-Exempt Status of Series 2026 Bonds. (a) Neither the Corporation nor the City shall take any action (including but not limited to any use of the 2026 Real Property or the Facilities) or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Purchase and Use Agreement would cause the interest paid on the Series 2026 Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(b) The City covenants to the Corporation, the Trustee and the Holders of the Series 2026 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 2026 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 2026 Bonds which would cause the Series 2026 Bonds to be an "arbitrage bond" under Section 148 of the Code and the regulations thereunder, and that it will comply with the requirements of such Section and regulations throughout the term of the Series 2026 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 any Series 2026 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 any Tax Certificate.

(d) The City will accept title to the Facilities upon the discharge of the Series 2026 Bonds.

Section 5.4 Reports and Opinions; Inspections. (a) The City shall permit the Corporation, the Trustee to examine, visit and inspect, at any reasonable time, the 2026 Real Property and the Facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing and to supply such reports and information as the Trustee may reasonably request.

(b) The Corporation shall give the Trustee prompt notice of any failure of the 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 Facilities or this Purchase and Use Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Purchase and Use Agreement. The Corporation and the Trustee and their members, officers, employees, and agents shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the 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.

Section 5.6 Compliance with Laws. With respect to the 2026 Real Property and the 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 Insurance and Condemnation Proceeds. The City shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the 2026 Real Property or the Facilities in excess of $250,000 without the prior written consent of the Trustee except as may be required by the terms hereof or of the other Security Documents or of any Permitted Encumbrances existing on the date hereof.

Section 5.8 Filing of Budget with Trustee. During the term of this Purchase and Use Agreement, the 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, together with a certificate of a City Representative stating that such budget provides for payment of all Installment Payments due in such Fiscal Year.

Section 5.9 Alterations of the 2026 Real Property and the Facilities; Removals. The City, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the Facilities as it may deem to be desirable; provided, that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the use and operations of, the 2026 Real Property and the Facilities. In this connection, the City (i) may remove any items of personal property constituting a part of the Facilities financed by a source of funds other than the proceeds of the Series 2026 Bonds and the Initial Installment Payment, and (ii) may, for any reason, replace any items of personal property constituting a part of the Facilities financed or refinanced with the proceeds of the Series 2026 Bonds, provided that any such removal or replacement of any personal property shall not materially diminish the value of the Facilities or materially impair the operation thereof. In the

case of any removal as provided above or any removal of City property not constituting 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 as an Obligated Person (as defined in Rule 15c2-12) in compliance with the provisions of the Disclosure Undertaking attached hereto as Exhibit F, if applicable. If the City is obligated to comply with a Disclosure Undertaking, then 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 2026 Bonds to enforce the provisions of the Disclosure Undertaking shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties' obligations under the Disclosure Undertaking.

Any failure by a party to perform in accordance with the Disclosure Undertaking shall not constitute a default under this Purchase and Use Agreement or on the Series 2026 Bonds or under any other document relating to the Series 2026 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.

* * *

ARTICLE VI

INSURANCE

Section 6.1 Types of Insurance and Coverage Requirements. (a) The City shall, commencing with the date that any items of personal property comprising the Facilities are delivered, or in the event that progress payments are to be made to the manufacturer thereof prior to the date of such delivery, commencing with the date of this Purchase and Use Agreement, and upon completion of any construction, reconstruction, renovation or remodeling incidental to the completion and installation of the Facilities, on all such improvements to the 2026 Real Property and the Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the 2026 Real Property and the Facilities, with such deductible provisions as are consistent with similar insurance obtained by the City for other property owned by it. Such insurance shall (1) name the Corporation and the Trustee as loss payees, as their interests may appear, be maintained for the term of this Purchase and Use Agreement and (2) each policy shall be in an amount equal to the replacement value of the Facilities.

(b) The 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 consistent with 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 $1,000,000 per occurrence and not less than $1,000,000 in the aggregate for claims made in any one year on account of injury of any one person, and $1,000,000 for property damage per occurrence with an aggregate property damage limitation of not less than $1,000,000, excluding liability imposed upon the City by any applicable worker's compensation law. Such insurance shall name the Corporation and the Trustee as additional insureds or loss payees, as their interests may appear, to the extent practicable.

(d) All policies of insurance required hereunder shall be written by the South Carolina Municipal Association's SC Insurance and Risk Financing Fund, the South Carolina Insurance Reserve Fund, or companies rated not lower than "A" by A. M. Best Company or in one of the two highest rating categories by S&P Global Ratings, in each case qualified to do business in the State and each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. The 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 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 ten 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 and the Trustee 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.

* * *

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 7.1 Damage, Destruction and Condemnation. If, during the term of this Purchase and Use Agreement, (i) the Facilities, or any portion thereof, shall be destroyed (in whole or in part), or be damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the 2026 Real Property, the Facilities or any portion thereof or the estate of the City or the Corporation in the 2026 Real Property, the Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or (iii) a material defect in construction or installation of the Facilities, or any portion thereof, shall become apparent, or (iv) title to or the use of all or any portion of the 2026 Real Property or the Facilities 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.

Section 7.2 Obligation to Repair or Replace the 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 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 2026 Real Property and the 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 capital 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 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 2026 Real Property or the Facilities, the City shall be responsible, subject to the option provided in Section 7.3 hereof, for the completion of the

work and the payment of any cost in excess of the amount of the Net Proceeds, subject to the availability of such moneys, if any, as shall be then appropriated and budgeted and legally available or otherwise legally available to the City and legally applicable to the completion of the 2026 Project. 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 Series 2026 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 2026 Real Property, and the Facilities. If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the 2026 Real Property or the Facilities is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the Facilities would be impracticable, (b) there is discovered a material defect in the construction of the Facilities, or any portion thereof, that renders the 2026 Real Property, the Facilities, or such portion unusable by the City for its intended purposes, (c) all or substantially all of the 2026 Real Property or the 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 2026 Real Property, the 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 2026 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 2026 Real Property or the 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 2026 Real Property or the 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 2026 Bonds, the Series 2026 Bonds shall be redeemed, title to all the Facilities shall be transferred to the City and any amounts not required for the redemption of the Series 2026 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 insurance policy or performance bond covering the events described in Section 7.1 of this Purchase and Use Agreement, in making the Net Proceeds available in accordance with Section 7.2 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the 2026 Real Property, the Facilities or any portion thereof and in the enforcement of all warranties relating to the 2026 Real Property or the Facilities. The Corporation hereby designates the City as its agent for the purpose of pursuing claims and making collections under such policies, such amounts to be held in trust and applied in accordance herewith. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding with respect to the 2026 Real Property, the 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 days after the same is due (provided, however, that any such failure by reason of an Event of Nonappropriation shall not result in an Event of Default under this provision);

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

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

(d) failure by the 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;

(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;

(f) the failure by the City promptly to stay or lift any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations under this Purchase and Use Agreement (provided that the 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, (ii) admit in writing the inability of the City to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated as bankrupt or insolvent, (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law, or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code.

The foregoing provisions of this Section 8.1 are subject to the following provision: If, by reason of Force Majeure, the 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. (a) Whenever any Event of Default referred to in Section 8.1 of this Purchase and Use Agreement shall have happened and be continuing, the Corporation (with written notice promptly given to the Trustee) and the Trustee shall terminate the term of this Purchase and Use Agreement and shall give notice to the City to vacate the Corporation Facilities no later than 60 days after the partition report becomes final in accordance with Section 2.4 hereof. Whenever an Event of Nonappropriation shall be deemed to occur, the term of this Purchase and Use Agreement shall terminate pursuant to Section 2.2(a) hereof and the City shall vacate and deliver over to the Trustee possession of the Corporation Facilities by the time specified in the third paragraph of Section 4.7(d) hereof.

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

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

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

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

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

Section 9.1 Optional Purchase of the Facilities.

(a) *Purchase in Full*. The City is hereby granted the option to terminate this Purchase and Use Agreement and to purchase the Corporation's interest in the Facilities not theretofore acquired by the 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 2026 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, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee. Upon the payment of the Purchase Option Price, the Corporation shall transfer and convey all its remaining interest in the Facilities to the City in the manner provided in Section 9.2 hereof.

(b) *Partial Prepayment of Installment Payments and Purchase*. From and after [April 1, 2036], 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 Price of the 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, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee.

Section 9.2 Manner of Conveyance.

(a) *Complete Conveyance.* At the closing of any purchase or other conveyance of all of the Facilities pursuant to Section 9.1 hereof, or at the conclusion of the term hereof by the payment of all amounts due hereunder, the Corporation and the Trustee shall execute and deliver to the City all necessary documents assigning, transferring and conveying all interest to the Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the 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) *Partial Conveyance Resulting from Partition*. 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) *Partial Conveyance Resulting from Partial Prepayment.* Any conveyance resulting from a partial prepayment under Section 9.1(b) hereof shall be made in the manner as all other conveyances with respect to payments on each Bond Payment Date.

* * *

ARTICLE X

MISCELLANEOUS

Section 10.1 Limitation of Liability of the Corporation and the City. Notwithstanding any other provision of this Purchase and Use Agreement, in the event of any default, including an Event of Default as to the City, 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 or moneys 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 or cause to be delivered peaceable possession of such of the Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related portion of the 2026 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 Camden, South Carolina
Attn: City Manager
407 E. DeKalb Street
Camden, SC 29020

If to the Corporation:

Camden Public Facilities Corporation
Attn: President
407 E. DeKalb Street
Camden, SC 29020
(with copy to the City as described above)

If to the Trustee:

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

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

Section 10.4 Assignments. Except as expressly provided in the Trust Agreement and the provisions of Section 4.5 hereof, this Purchase and Use Agreement may not be assigned by either of the parties hereto without the written consent of the other party hereto and the written consent of the Trustee. 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 Holders of any Bonds, enter into any amendments hereto at any time for any of the following purposes:

(a) To cure any ambiguity, defect or omission herein or in any amendment hereto; or

(b) To grant to or confer upon the Corporation any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or

(c) To add to the covenants and agreements of the 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 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 S&P or Moody's 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) in connection with the issuance of the Series 2026 Bonds, (ii) to add Additional Real Property to the description in Exhibit A hereto, consistent with amendments made pursuant to Section 3.1 of the Base Lease, (iii) under the conditions specified in Section 5.1(c) hereof, to add, delete or modify the 2026 Real Property in connection with a release or substitution (as applicable) of other 2026 Real Property, (iv) to release property from the description of the 2026 Real Property described in Exhibit A hereto, consistent with a termination of the Base Lease pursuant to Section 3.6 of the Base Lease, or (v) to revise the description of Permitted Encumbrances specified in Exhibit C hereto in connection with the foregoing amendments.

Notwithstanding anything herein to the contrary, the parties hereto may execute such supplement to this Purchase and Use Agreement as may be necessary or desirable (with the advice of Bond Counsel) to correct the legal description of the 2026 Real Property or Permitted Encumbrances applicable thereto in connection with such an amendment to the Base Lease and cause such supplement or a short form and summary thereof to be recorded in appropriate official records.

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

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

Section 10.7 Successors and Assigns. All covenants, promises and agreements contained in this Purchase and Use Agreement by or on behalf of or for the benefit of the 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.

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.

Section 10.10 Execution in Counterparts. This Purchase and Use Agreement 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.

* * *

(*Signature Pages Follow*)

WITNESS the due execution of this Purchase and Use Agreement effective as of May 1, 2026.

CITY OF CAMDEN, SOUTH CAROLINA

(SEAL)

Witnesses

By: _____
Vincent Sheheen, Mayor

_____

_____

Attest:

_____
Brenda Davis, City Clerk

CAMDEN PUBLIC FACILITIES CORPORATION

(SEAL)

Witnesses

By: _____
Mary Ellen Green, President

_____

Attest:

_____
Ned Barnes, Secretary

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF KERSHAW)

On this __ day of _____, 2026, Vincent Sheheen, PERSONALLY, appeared before me and acknowledged that he is the Mayor of the City of Camden, South Carolina and that by authority duly given, he executed the foregoing on behalf of the City.

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

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF KERSHAW)

On this __ day of _____, 2026, Mary Ellen Green, PERSONALLY, appeared before me and acknowledged that she is the President of the Camden Public Facilities Corporation and that by authority duly given, she executed the foregoing on behalf of such corporation.

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

EXHIBIT A

LEGAL DESCRIPTION OF THE 2026 REAL PROPERTY

City Hall Component

All that piece, parcel and lot of land, with improvements situate thereon, containing 1.19 acres, more or less, located in the City of Camden, County of Kershaw, State of South Carolina.

This parcel is bound and fronts on the North by Dekalb Street, on the West by Market Street, and on the South and East by other property of the City of Camden, South Carolina.

This parcel is more particularly shown and described on that survey, which is incorporated herein, prepared for the City of Camden by Robert H. Lackey Surveying, Inc. dated March 18, 2026, recorded in the Kershaw County Register of Deeds Office at Plat Volume E33, Page 10-A, on March 25, 2026. Reference is made to said survey for a more complete description of the parcel herein described, the entirety of which is incorporated herein.

This being a portion of the property conveyed to the City of Camden, South Carolina, by deeds of First Palmetto Bank, a South Carolina state chartered corporation to the City of Camden, South Carolina dated January 16, 2026 recorded in the office of the Kershaw County Register of Deeds at Book 5508, page 274 and Book 5508, page 285 on January 16, 2026.

Tax Map No.: C284-12-00-142

Public Safety Component

All that piece, parcel and lot of land, with improvements thereon, containing 3.245 acres, more or less, located in the City of Camden, County of Kershaw, State of South Carolina.

This parcel is bound and fronts on the West by Lyttleton Street; on the North by other property of the City of Camden, South Carolina and by property of Jai Jalarambapa Camden, LLC; on the East and South by other property of the City of Camden, South Carolina. This parcel is more particularly shown and described as Lot 1 on that survey, which is incorporated herein, prepared for the City of Camden by Robert H. Lackey Surveying, Inc. dated April 17, 2026, recorded in the Kershaw County Register of Deeds Office at Plat Volume E36, Page 1, on April 20, 2026.

Reference is made to said survey for a more complete description of the parcel herein described the entirety of which is incorporated herein, and subject to such matters, if any, as shown thereon.

This being a portion of the property conveyed to the City of Camden by deed of W.A. Metts, Jr. and Sally Bland Metts dated March 13, 1951, recorded in the office of the Kershaw County Register of Deeds at Book ED, page 132 on March 13, 1951.

Tax Map No.: C285-13-00-001

EXHIBIT B

DESCRIPTION OF FACILITIES

"***City Hall Facilities***" means the improvements currently existing and to be constructed on that portion of the 2026 Real Property (including the 2026 Project and any other improvements currently existing or to be existing on the 2026 Real Property (subject to Section 3.1(c) hereof)) bearing TMS No. C284-12-00-142, including fixtures and any future additions, modifications, and substitutions to any facilities on such 2026 Real Property and any personal property located on such 2026 Real Property financed with the Series 2026 Bonds.

"***Public Safety Facilities***" means the improvements currently existing and to be constructed on that portion of the 2026 Real Property (including certain Existing Facilities and the 2026 Project and any other improvements currently existing or to be existing on the 2026 Real Property (subject to Section 3.1(c) hereof)) bearing TMS No. C285-13-00-001, including fixtures and any future additions, modifications, and substitutions to any facilities on such 2026 Real Property and any personal property located on such 2026 Real Property financed with the Series 2026 Bonds.

For the avoidance of doubt, the Facilities will not include property, vehicles, and equipment not purchased by the City from the proceeds of the Series 2026 Bonds or the Initial Installment Payment.

EXHIBIT C

PERMITTED ENCUMBRANCES

1. Base Lease Agreement from City of Camden, South Carolina to Camden Public Facilities Corporation dated as of May 1, 2026, and recorded on [_____], 2026, in the Kershaw County Register of Deeds Office in Book [_____], page [_____].

2. Installment Purchase and Use Agreement between Camden Public Facilities Corporation and the City of Camden, South Carolina dated as of May 1, 2026, and recorded on [_____], 2026, in the Kershaw County Register of Deeds Office in Book [_____], page [_____].

3. UCC-1 Financing Statement with Addendum reflecting Camden Public Facilities Corporation as debtor and U.S. Bank Trust Company, National Association as secured party recorded on [_____], 2026, in the Kershaw County Register of Deeds Office in Book [_____], page [_____].

4. Any encroachments, encumbrances, violations, variations, or adverse circumstances affecting the title that would be disclosed by an accurate and complete land survey of the 2026 Real Property, shown by the public records, or specifically listed in the title policy issued with respect to this transaction.

EXHIBIT D

BASE PAYMENTS SCHEDULE

EXHIBIT E

VALUATION OF FACILITIES

Facilities	Expected Insured Values as of Date of Execution and Delivery of Agreement
City Hall Facilities	
Public Safety Facilities	

[*Facilities Transfer Table on Following Page*]

EXHIBIT F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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The Trust Agreement

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TRUST AGREEMENT

between

CAMDEN PUBLIC FACILITIES CORPORATION

and

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

$[Amount]
CAMDEN PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS)
SERIES 2026

Dated as of May 1, 2026

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TRUST AGREEMENT

This TRUST AGREEMENT dated as of May 1, 2026 (this "***Trust Agreement***") is made by and between the CAMDEN PUBLIC FACILITIES CORPORATION (the "***Corporation***"), a South Carolina nonprofit corporation, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as trustee (the "***Trustee***").

WITNESSETH

WHEREAS, the City of Camden, South Carolina (the "***City***") is simultaneously herewith entering into a Base Lease Agreement dated as of May 1, 2026 (the "***Base Lease***") with the Corporation, pursuant to which the City is leasing to the Corporation the 2026 Real Property and is conveying the Existing Facilities (each term as defined in the Base Lease) to the Corporation in consideration for the Corporation agreeing to undertake the 2026 Project (as defined in the hereinafter defined Purchase and Use Agreement);

WHEREAS, the Corporation is simultaneously herewith entering into an Installment Purchase and Use Agreement with the City dated as of May 1, 2026 (the "***Purchase and Use Agreement***") pursuant to which, subject to Section 3.1(b) of the Purchase and Use Agreement, the Corporation has agreed to undertake the 2026 Project with respect to the Facilities, and the City has agreed to purchase the 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 Facilities in accordance with the terms of the Purchase and Use Agreement;

WHEREAS, the Corporation desires to issue its $[Amount] principal amount Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "***Series 2026 Bonds***") pursuant to this Trust Agreement, in order to provide funds, together with other available amounts, (i) to defray the cost of the 2026 Project, and (ii) to pay costs related to the issuance of the Series 2026 Bonds;

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2026 Bonds and the security therefor and to provide for the issuance of one or more series of Additional Bonds (as defined herein) (the Additional Bonds together with the Series 2026 Bonds, are referred to herein as the "***Bonds***") to be secured under the terms hereof on a parity with the Series 2026 Bonds, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts;

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

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

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

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

GRANTING CLAUSES

Granting Clause First

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

Granting Clause Second

All of the Corporation's right, title, and interest in and to the Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2026 Real Property, and in the Facilities, including all of the right, title, and interest of the Corporation in and to (i) the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the 2026 Real Property, and from and in connection with the Corporation's ownership of the Facilities, without limiting the generality of the foregoing, rents and revenues under any and all leases of the 2026 Real Property or the Facilities or any agreement for the operation or management of the 2026 Real Property or the Facilities, and (ii) all leases of all or part of the Facilities or the 2026 Real Property hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees' obligations thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses, and permits now or hereafter affecting the Facilities, the 2026 Real Property or any part thereof.

Granting Clause Third

All of the Corporation's rights with respect to any insurance or condemnation proceeds with respect to the Facilities, the 2026 Real Property or any portion thereof, and the proceeds of any other collateral granted hereunder or assigned hereby as security for the Bonds.

Granting Clause Fourth

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

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

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

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

ARTICLE I

DEFINITIONS

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

"***2026 Project***" has the meaning given such term in the Purchase and Use Agreement.

"***2026 Real Property***" has the meaning given such term in the Base Lease.

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

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

"***Additional Bonds***" means any Bonds issued pursuant to this Trust Agreement after the issuance of the Series 2026 Bonds and secured by the Trust Estate on a parity with the Series 2026 Bonds, if the Series 2026 Bonds are then Outstanding, under the terms of this Trust Agreement.

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

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

"***Additional Real Property***" means any real property in addition to the 2026 Real Property that is or will become the site of Additional Facilities.

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

"***Authorized Financial Representative***" means such person authorized to act as the Corporation's agent to provide directions with respect to the investment or reinvestment of amounts held by the Trustee in funds and accounts established under this Trust Agreement, which designation shall be evidenced by a written certificate or letter signed by the Mayor or the City Manager, including the title of the Authorized Financial Representative and a specimen of such person's signature, delivered to the Trustee and may be revoked, rescinded or replaced by a similar certificate or letter at any time.

"***Base Lease***" means the Base Lease Agreement dated as of May 1, 2026, between the City and the Corporation, as it may be amended and supplemented from time to time.

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

"***Beneficial Owner***" means any purchaser who acquires a beneficial ownership interest in a Bond held by the Securities Depository. In determining any Beneficial Owner, the City, the Corporation, the Trustee and the Paying Agent may rely exclusively upon written representations made 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 Bond held by the Securities Depository or its Participants in which a beneficial ownership interest is claimed.

"***Bond***" or "***Bonds***" means the Series 2026 Bonds and any Additional Bonds issued and secured under the terms hereof.

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

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

"***Bond Payment Date***" means any Interest Payment Date or Principal Payment Date.

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

"***Business Day***" means 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.

"***Capitalized Interest***" means interest accruing on a series of Bonds, which is payable from the proceeds of such Bonds, or from other amounts deposited for such purpose by the City or the Issuer.

"***City***" means the City of Camden, South Carolina.

"***City Representative***" means the City Manager or the Mayor and also any person or persons from time to 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 Mayor or Mayor Pro Tem of the City or the City Manager. 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 the Camden Public Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

"***Corporation Representative***" means the President or the Treasurer and also any person or persons from time to time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Purchase and Use Agreement and this Trust Agreement as evidenced by a written certificate furnished to the 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.

"***Defeasance Obligations***" means (a) cash; or (b) non-callable: (i) Government Obligations; (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; and (iii) non-callable, U.S. Treasury Securities – State and Local Government Series Securities..

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

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

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

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

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

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

"***Government Obligations***" means any of the following:

(1) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America are pledged; and

(2) obligations, the payment of the principal (if any), or the interest (if any) on which is fully guaranteed as a full faith and credit obligation of the United States of America; and

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

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

"***Interest Payment Date***" means April 1 and October 1 of each year, beginning October 1, 2026, while there are any unpaid or Outstanding Bonds.

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

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

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

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

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

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

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

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

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

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

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

"***Principal Payment Date***" means April 1 of each year, beginning April 1, 20[27], while there are any unpaid or Outstanding Bonds.

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

"***Purchase and Use Agreement***" means the Installment Purchase and Use Agreement dated as of May 1, 2026, between the Corporation, as seller, and the City, as buyer, as the same may be amended and supplemented from time to time.

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

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

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

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

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

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

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

"***Revenues***" means, with respect to the Bonds, (i) the Installment Payments under the Purchase and Use Agreement, (ii) all other moneys received or to be received by the Trustee under the Purchase and Use Agreement from the lease, sale, or other disposition of the Facilities or the 2026 Real Property, (iii) any monies and investments in the Bond Fund (including the Acquisition Account and the Reserve Account), and (iv) all income and profit from the investment of the foregoing moneys.

"***S&P***" means S&P Global Ratings, a division of S&P Global Inc., and its successors or assigns.

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

"***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 2026 Bonds***" means the $[Amount] Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026, of the Corporation, dated the date of their delivery, and authorized by and secured under this Trust Agreement.

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

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

"***State***" means the State of South Carolina.

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

"***Tax Certificate***" means the tax certificate of the City and the Corporation dated the date of the initial delivery of the Series 2026 Bonds, and for any Additional Bonds, the tax certificate delivered in connection therewith.

"***Trust Agreement***" means this Trust Agreement dated as of May 1, 2026 by and between the Corporation and the Trustee, as the same may be supplemented and amended from time to time by any Supplemental Agreement.

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

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

"***Underwriter***" means Raymond James & Associates, Inc.

Section 1.2 Interpretation. Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the South Carolina Code, the Code, or to any

statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the 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," "hereto," "hereunder," "hereinafter" and similar terms refer to this Trust Agreement; and the term "hereafter" means after, and the term "heretofore" means before the date of this Trust Agreement. Words of any gender generally include the correlative words of the other gender, unless the sense indicates otherwise.

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

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

* * *

ARTICLE II

RECITALS AND REPRESENTATIONS

Section 2.1 Base Lease and Purchase and Use Agreement. The Corporation and the City have entered into (i) the Base Lease, pursuant to which the City has leased its interest in the 2026 Real Property to the Corporation and has conveyed its interest in the Existing Facilities to the Corporation, and (ii) the Purchase and Use Agreement, pursuant to which the City has arranged with the Corporation for the construction, acquisition, installation, and equipping of the 2026 Project and for the sale to and use and occupancy by the City of the Facilities, subject to Section 3.1 of the Purchase and Use Agreement.

Section 2.2 Installment Payments. Under the Purchase and Use Agreement, the City is obligated to pay to the Corporation or its assigns during the term thereof Installment Payments, subject to the occurrence of an Event of Nonappropriation as set forth in Section 4.7 of the Purchase and Use Agreement, and subject to the 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. The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Trust Agreement. The Trustee shall file continuation statements with respect to each UCC financing statement relating to the Trust Estate filed at the time of the issuance of any Bonds; provided that a copy of the filed initial financing statement is timely delivered to the Trustee. In addition, unless the Trustee is notified in writing by the Corporation or Bond Counsel that any such initial filing or description of collateral contained therein was or has become defective, the Trustee shall be fully protected in (a) relying on such initial filing and descriptions in filing any financing or continuation statements thereto pursuant to this Section and (b) filing any continuation statements in the same filing offices as the initial filings were made. The customary fees charged by the Trustee for the preparation and filing of continuation statements and the reasonable costs incurred by the Trustee in the preparation and

filing of all continuation statements hereunder shall be paid by the City as an Additional Payment pursuant to the Purchase and Use Agreement. The Trustee shall prepare and file any extensions, continuations or renewals thereof, as may be required to continue the perfection of this security interest or other statutory liens held by the Trustee, to the extent required by applicable law. With respect to any of the Trust Estate in which a security interest is not perfected by the filing of a financing statement, the Corporation consents and agrees to undertake, and the Trustee agrees to cooperate fully with the Corporation using commercially reasonable efforts, to perfect the security interest granted to the Trustee in the Trust Estate. During the term of the Purchase and Use Agreement, the Trustee may exclusively rely on the City to operate and maintain the Facilities and the 2026 Real Property in accordance with all laws, ordinances, rules and regulations, including without limitation, Environmental Laws.

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

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

Section 2.5 Other Security Documents. The Corporation shall cause this Trust Agreement (or an assignment agreement of the Corporation in favor of the Trustee, in lieu hereof) and any financing statements relating hereto, to be filed, in such manner and at such places as may be required by law fully to protect the security of the Holders of the Bonds and the right, title, and interest of the Trustee in and to the Facilities, the 2026 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 2026 Bonds; Designation of Series 2026 Bonds; Conditions to Delivery. (a) Pursuant to the provisions of this Trust Agreement, there are hereby authorized to be issued one or more series of Bonds of the Corporation. Upon the execution and delivery hereof, there is hereby authorized an initial series of Bonds in the aggregate principal amount of $[Amount] to be designated "Camden Public Facilities Corporation Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026." Any Additional Bonds shall be designated "Camden Public Facilities Corporation Installment Purchase Revenue Bonds" with such further and other designation, including the appropriate series designation, as may be necessary to identify each such series of Additional Bonds.

(b) Upon the execution and delivery of this Trust Agreement, and satisfaction of the conditions established by this Trust Agreement and the Purchase and Use Agreement for delivery of the Series 2026 Bonds, the Corporation shall execute, and the Trustee shall authenticate and deliver, the Series 2026 Bonds to, or to the order of, the Underwriter.

(c) Before the Trustee authenticates and delivers any of the Series 2026 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 2026 Bonds to, or on the order of, the Underwriter upon payment to the Trustee of the amount specified therein, which amount shall be deposited as provided in Section 5.1 hereof. Executed copies of the following shall be submitted with the request, in connection with the issuance of the Series 2026 Bonds: (1) this Trust Agreement; (2) the Base Lease; (3) the Purchase and Use Agreement; and (4) the Tax Certificate relating to the Series 2026 Bonds.

(d) Bonds and the interest thereon and redemption premium, if any, shall be an obligation of the Corporation, and shall be secured by and payable from the Trust Estate. Bonds do not and shall not be deemed to constitute or create an indebtedness, liability, or obligation of the 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 2026 Bonds are authorized for the principal purposes of:

(1) to defray the cost of the 2026 Project; and

(2) to pay costs related to the issuance of the Series 2026 Bonds.

Section 3.3 Maturity Schedule; Date; Interest Rates. The Series 2026 Bonds shall be dated May 14, 2026, and shall mature on April 1 in the years and principal amounts set forth below and shall bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the interest rates per annum set forth below:

MATURITY SCHEDULE

Due April 1	Principal Amount	Interest Rate	Yield	CUSIP

* Term Bonds, subject to mandatory sinking fund redemption.

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

(a) *Authorization for Additional Bonds*. Additional Bonds may be issued hereunder and secured by the Trust Estate on a parity with the Series 2026 Bonds under the conditions set forth herein.

(b) *Purposes for Additional Bonds.* Subject to the provisions of applicable law, Additional Bonds may be issued for the purposes of providing funds (i) to complete the 2026 Project, (ii) to refund any of the Series 2026 Bonds or any Additional Bonds theretofore issued, or (iii) for the purpose of paying the cost of Additional Facilities or Additional Ancillary Projects.

(c) *Conditions to the Issuance of All Additional Bonds.* Prior to issuing any Additional Bonds, there shall have been executed and delivered to all applicable parties, including the Trustee: (i) a Supplemental Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) an amendment or

supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, making any changes required to make Additional Real Property subject thereto and supplementing Exhibit B and Exhibit E thereto to provide for the Additional Facilities; (iii) an amendment or supplement to the Base Lease extending the term thereof by at least the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto; and (iv) a Favorable Opinion of Bond Counsel. There shall also be provided to the Trustee certified copies of resolutions adopted by the Board of Directors of the Corporation and an ordinance enacted by the Council authorizing the issuance of the Additional Bonds and the execution and delivery of the documents to which each is a party. No Additional Bonds may be issued hereunder if at the time there is an Event of Default or an Event of Nonappropriation unless upon the issuance of such Additional Bonds, no other Bonds will be Outstanding hereunder.

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

Section 3.5 Payment of Principal and Interest. (a) Each of the Series 2026 Bonds shall be authenticated, as provided in Section 3.10 hereof, on such date as it shall be delivered and shall bear interest from the later of the date of delivery, or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event, each such Series 2026 Bond shall bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from the date thereof. Additional Bonds shall be authenticated and bear interest as provided in the Supplemental Agreement prescribing the terms and conditions thereof.

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

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called "***Defaulted Interest***") shall forthwith cease

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

Section 3.6 Denomination; Numbering. The Series 2026 Bonds shall be issued in denominations of $5,000 or any integral multiple thereof. The Series 2026 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 2026 Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit A with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Additional Bonds shall be in such form as is provided in the Supplemental Agreement pursuant to which such Additional Bonds are issued.

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

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

been authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized signatory of the Trustee.

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

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

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

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

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

Section 3.15 Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled

and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Trustee may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Corporation nor the Trustee shall be required to issue, exchange or transfer (i) any Bond during the 15 days immediately preceding any Bond Payment Date, (ii) any Bond during a period beginning at the opening of business 15 days immediately preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption or (iii) any Bonds called for redemption in whole or in part.

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

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

Section 3.18 Book-Entry System. Notwithstanding anything to the contrary herein, so long as any series of the Bonds is being held under a Book-Entry System pursuant to this Section 3.18, payment of principal and premium (if any) of and interest on such Bonds and transfers of beneficial ownership of such Bonds will be effected pursuant to rules and procedures established by the Securities Depository. The Series 2026 Bonds shall be initially issued under a Book-Entry System and shall be held thereunder except as provided in this Section 3.18. The Series 2026 Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2026 Bond for each series, maturity and interest rate in a principal amount equal to the amount of such maturity and interest rate, and shall be registered on the Register in the name of the Securities Depository Nominee. So long as the Book-Entry System is in effect, the Securities Depository Nominee will be recognized as the Holder of the Series 2026 Bonds for the purposes of (i) paying the principal of, premium, if any, or interest on the Series 2026 Bonds, (ii) selecting the Series 2026 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 2026 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 2026 Bonds or any other person claiming a beneficial ownership interest in the Series 2026 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

2026 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 2026 Bonds of any amount in respect of the principal of, premium, if any, or interest on the Series 2026 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 2026 Bonds or (v) any other action taken by the Securities Depository as Holder of the Series 2026 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 2026 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 2026 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 2026 Bonds may be adversely affected if the Book-Entry System is continued, then the Corporation shall notify the Securities Depository and the Trustee in writing of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2026 Bonds. In such event, the Corporation shall execute and the Trustee shall authenticate, register and deliver physical Series 2026 Bonds as requested by the Securities Depository or any Participant or beneficial owner of Series 2026 Bonds in appropriate authorized denominations in exchange for the Series 2026 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 2026 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 2026 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 2026 Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the U.S. Securities and Exchange Commission.

Notwithstanding any other provision of this Trust Agreement to the contrary, so long as the Series 2026 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 2026 Bonds shall be made and given, respectively, to The Depository Trust Company, as provided in the Blanket Letter of Representations of the Corporation.

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

Section 3.19 Tax Covenants of Corporation. The Corporation will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Series 2026 Bonds, to the extent the Series 2026 Bonds are issued on a federally tax-exempt basis, and, if it should take or permit, or omit to take or cause to be taken, any such action, the Corporation will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The Corporation acknowledges that the continued exclusion of interest evidenced by or paid on the Series 2026 Bonds from a Holder's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. To that end, the Corporation covenants that it will comply with the Tax Certificate, if any.

The Corporation acknowledges that the Series 2026 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 of the applicable provisions of Revenue Procedure 82-26, 1982-1 C.B. 476 ("***Revenue Procedure 82-26***"). The Corporation therefore represents, warrants and covenants as follows:

(a) The Corporation is organized under the general nonprofit laws of the State as a nonprofit organization, the articles of incorporation of the Corporation provide that the Corporation is not organized for profit, and the Corporation's income does not inure to any private person. The activities and purposes of the Corporation are those permitted under the general nonprofit corporation laws of the State, the Corporation will engage only in activities and for purposes that are permitted under the general nonprofit laws of the State and the Facilities and the 2026 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, unless the Corporation has filed with the Trustee and the City a Favorable Opinion of Bond Counsel.

(c) Prior to a termination (if any) of the Purchase and Use Agreement pursuant to Section 2.2 thereof which gives rise to a partition of the Facilities pursuant to Section 2.4 thereof, the City shall have exclusive beneficial possession and use of the Facilities and the 2026 Real Property, including any improvements and additions thereto, equivalent to at least 95% of the fair rental value of the Facilities and the 2026 Real Property for the term of the Series 2026 Bonds, including any other obligations issued by the Corporation either to make improvements to the Facilities and the 2026 Real Property or to refund a prior issue of the Corporation's obligations related to the Facilities and the 2026 Real Property.

(d) The City currently has or will obtain fully unencumbered fee simple title, subject to Permitted Encumbrances, to the Facilities and the 2026 Real Property no later than such time as the Series 2026 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 2026 Bonds will be discharged

when (i) cash is available at the place of payment on the date that the Series 2026 Bonds are due (whether at maturity or upon prior call for redemption) and (ii) interest ceases to accrue on the Series 2026 Bonds. Upon discharge of the Series 2026 Bonds, the Corporation will convey to the City such fee simple title and exclusive possession and use of the Facilities and the 2026 Real Property (to the extent the City does not already have such title, possession and use), including any additions thereto, without demand or further action on its part. In this regard, all leases, management contracts and similar encumbrances (other than Permitted Encumbrances), if any, relating to the Facilities and the 2026 Real Property shall terminate upon discharge of the Series 2026 Bonds.

(e) While the Purchase and Use Agreement is in effect, the City has the right at any time to obtain unencumbered fee title and exclusive possession of the Facilities and the 2026 Real Property, including any additions thereto (to the extent the City does not already have such title, possession, and use) by exercising its rights under Section 9.1 of the Purchase and Use Agreement, by placing into escrow an amount equal to the amount described therein. If the City exercises such right, the Corporation must immediately cancel all encumbrances (other than Permitted Encumbrances) on the Facilities and the 2026 Real Property (to the extent the Corporation has possession and use thereof), including leases and management contracts, except as may be otherwise permitted by Revenue Procedure 82-26.

(f) While the Purchase and Use Agreement is in effect, in the event the Corporation defaults in its payments under the Series 2026 Bonds, the City has the exclusive option to purchase the Facilities and any additions thereto (to the extent the City does not already have such title, possession, and use) for the amount of the Outstanding Series 2026 Bonds and accrued interest to the date of default. The City must exercise its option, if at all, not more than 90 days from the date it is notified by the Corporation (or the Trustee on behalf of the Corporation) of such default and, if elected, must have 90 days from the date of exercise of such option to purchase the Facilities.

(g) All of the original proceeds of the Series 2026 Bonds shall be used to provide tangible real and tangible personal property. Proceeds are considered to provide tangible property only if the proceeds are (i) used to finance costs that a taxpayer must charge to the property's capital account, may elect to charge to the property's capital account instead of deducting, or may elect to deduct instead of charging to the property's capital account and (ii) used to fund a reasonably required reserve fund for the Series 2026 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 2026 Bonds solely for the purpose of rounding the dollar amount of the issue. If excess proceeds remain on hand after the completion of construction or reconstruction of the Facilities, the requirements of this paragraph will be considered met if (i) the face amount of the Series 2026 Bonds (taking into account estimated investment proceeds) was based on reasonable estimates of the cost of the Facilities at the time the Series 2026 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 2026 Bonds) received at any time as a result of the sale of the Series 2026 Bonds and "investment proceeds" are amounts (net of administrative costs) that result from the investment of any proceeds of the Series 2026 Bonds. However, investment proceeds do not include amounts earned after the date that (i) construction, reconstruction or acquisition of the Facilities is completed, or (ii) all of the proceeds (less amounts used to fund a reasonably required

reserve fund) have been spent on the construction, reconstruction or acquisition of the Facilities, whichever occurs later.

(h) The Council enacted an ordinance on April 21, 2026, which date is within one year prior to the issue date of the Series 2026 Bonds, approving the purposes and activities of the Corporation, the issuance of the Series 2026 Bonds by the Corporation for the purposes of financing the 2026 Project and related costs, and stating that the City will accept title to the Facilities (to the extent the City does not already have such title, possession, and use), including any additions or improvements thereto, no later than such time as the Series 2026 Bonds are discharged.

(i) The proceeds of fire or other casualty insurance policies received in connection with the damage or destruction to the portion of the Facilities financed with the proceeds of the Series 2026 Bonds, including any improvements, will be used to rebuild the Facilities, and the remaining balance thereafter will be remitted to the City to be used for any lawful capital purpose.

(j) In the event of any division of the Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, the Corporation agrees that, unless (i) it obtains an opinion of Bond Counsel to the effect that such action is unnecessary to preserve the exclusion from gross income of interest on any Series 2026 Bonds, or (ii) the Corporation or the Trustee is directed by the owners of a majority of the beneficial ownership interests of the Series 2026 Bonds, it will timely undertake to satisfy the requirements of the Code and the Treasury Regulations relating to a change in use of the Facilities. Regulations governing such remedial action are now contained in Section 1.141-12 of the Treasury Regulations.

The covenants of this Section 3.19 related to compliance with the Code shall be inapplicable to any Series 2026 Bonds if the interest thereon is not intended to be excluded from federal income taxes.

* * *

ARTICLE IV

REDEMPTION OR PURCHASE OF BONDS

Section 4.1 Redemption of Bonds.

(a) *Optional Redemption of Series 2026 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 Facilities and pay the amount required to defease and redeem the Series 2026 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 2026 Bonds maturing after April 1, 20__, may be redeemed in whole or in part at any time on and after April 1, 20__, by the Corporation at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

The Series 2026 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 2026 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 2026 Bonds are to be redeemed, the particular Series 2026 Bonds to be redeemed, and shall be given to the Trustee at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. Prior to the giving of notice by the Trustee to the Holders as provided in Section 4.2 hereof, there shall be deposited with the Trustee funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof all of the redeemable Series 2026 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) *Special Optional Redemption of Series 2026 Bonds*. 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 2026 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 2026 Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Series 2026 Bonds shall be redeemed pursuant to this paragraph (b) in accordance with the procedure set forth in the last paragraph of Section 4.1(a) above and Section 4.2 hereof.

(c) *Partial Redemption of Series 2026 Bonds.* If less than all of the Series 2026 Bonds are called for redemption, the Series 2026 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 2026 Bonds of any one maturity are called for redemption, the Corporation or the Trustee, at the written direction of the Corporation, shall select the applicable Series 2026 Bonds to be redeemed by lot, each $5,000 portion of the principal being counted as one Series 2026 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2026 Bond is Cede & Co., such selection shall be made by DTC.

(d) *Mandatory Sinking Fund Redemption*. The Series 2026 Bonds maturing on April 1, 20__ (the "***20__ Term Bonds***"), shall be subject to mandatory sinking fund redemption commencing April 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on April 1 of each of the following years in the respective principal amounts for each year specified below:

Year	Principal Amount
	*

* Final Maturity

The amounts of any mandatory sinking fund redemptions set forth above will be reduced to the extent the 20__ 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.

(e) *Redemption of Additional Bonds.* Provisions relating to the circumstances upon which Bonds other than Series 2026 Bonds may be redeemed shall be as set forth in the Supplemental Agreement providing for the issuance thereof.

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

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

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

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

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

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

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

* * *

ARTICLE V

PROVISIONS AS TO FUNDS AND PAYMENTS

Section 5.1 Deposit of Money. In order to assure that the costs of the 2026 Project will be paid and that the Facilities will be available for purchase and occupancy by the City, in each case without delay, there shall be deposited with the Trustee the Initial Installment Payment and the proceeds received from the sale of the Series 2026 Bonds as described in this Section 5.1.

The proceeds of the Series 2026 Bonds, less Underwriter's discount of $____, shall be deposited by the Trustee and applied as follows:

(1) $_____ shall be deposited into the Project Fund to defray a portion of the costs of the 2026 Project as set forth in Section 5.3(b) hereof; and

(2) $_____ shall be deposited into the Cost of Issuance Fund to be applied as set forth in Section 5.3(c) hereof.

The Initial Installment Payment of $2,000,000 shall be deposited to the Project Fund to pay the costs of the 2026 Project, and if any funds remain, Base Payments.

Section 5.2 Creation of Project Fund and Cost of Issuance Fund. There are hereby created as separate accounts in the custody of the Trustee trust funds designated as the "***Project Fund***" and the "***Cost of Issuance Fund***." Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the Series 2026 Bonds deposited in the Project Fund and the Cost of Issuance Fund pursuant to Section 5.1 hereof, together with any other moneys and Permitted Investments held to the credit thereof, shall be held as security for the payment of the Series 2026 Bonds. As directed by the City and the Corporation in writing, the Cost of Issuance Fund may be established as a subaccount of the Project Fund.

Section 5.3 Disbursements. (a) Moneys in (i) the Project Fund shall be disbursed to defray a portion of the costs of the 2026 Project, and (ii) the Cost of Issuance Fund shall be disbursed for the payment of issuance costs of the Series 2026 Bonds, all in accordance with the provisions of this Section 5.3. The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and the Cost of Issuance Fund and all investments and disbursements of moneys in the Project Fund and the Cost of Issuance Fund.

(b) All disbursements from the Project Fund shall be made by the Trustee upon the receipt of a requisition in the form of the requisition at Exhibit B hereof signed by a Corporation Representative and a City Representative. The Trustee shall have no duty to review or investigate the accuracy of the requisition for other than the form and format. Upon the substantial completion of the 2026 Project, the Corporation shall submit to the Trustee a final requisition in the form of the final requisition at Exhibit C hereof signed by a Corporation Representative and a City Representative in the total amount remaining owing for costs of the 2026 Project, including all applicable retainages. Upon the receipt of the final requisition, the Trustee shall promptly disburse the amounts requested therein. The Trustee shall be entitled to rely on each requisition as conclusive evidence of the City's compliance with the procedure described herein.

(c) The Trustee is hereby authorized to pay from the Cost of Issuance Fund from time to time, upon written direction of a City Representative, together with an invoice or other evidence of the amounts payable thereunder, costs of issuance of the Series 2026 Bonds. Upon written direction of the City, any amounts remaining in the Cost of Issuance Fund, after payment of all costs of issuance of the Series 2026 Bonds, shall be transferred to the Acquisition Account of the Bond Fund.

Section 5.4 Completion of the 2026 Project. (a) As soon as is practicable after the completion of the 2026 Project and the filing with the Trustee of the final requisition referred to in Section 5.3(b) hereof, the Trustee shall transfer any balance remaining in the Project Fund attributable to the 2026 Project to the Acquisition Account of the Bond Fund and the Project Fund shall be closed.

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

No Reserve Account is being created with respect to the issuance of the Series 2026 Bonds and no Reserve Requirement shall be established.

Upon the issuance of any series of Additional Bonds hereunder, (i) one or more separate subaccounts may be created in the Reserve Account of the Bond Fund to provide for any Reserve Requirement with respect to such Additional Bonds with the intent being that the Additional Bonds shall only be payable from the subaccounts of the Reserve Account established with respect to such series of Bonds upon the issuance thereof and (ii) a separate subaccount shall be created in the Acquisition Account for purposes of making payment on each series of Bonds with the intent being that the Series 2026 Bond and any Additional Bonds shall only be payable from the subaccounts of the Acquisition Account established with respect to such series of Bonds upon the issuance thereof.

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

(c) The Trustee shall set aside from moneys in the Bond Fund amounts sufficient to make timely payments of the principal of, premium, if any, and interest on the Bonds. Further, to the extent monies sufficient to pay Capitalized Interest on the Bonds are deposited into any Acqusition Account of the Bond Fund, such monies shall be limited to the interest components due and payment on the applicable series of Bonds.

(d) Amounts due with respect to a particular series of Bonds, except as provided in the remainder of this Section 5.5, shall be payable as they become due in the following order, (i) first,

from amounts in the applicable subaccount of the Acquisition Account; (ii) second, from the moneys available from the applicable subaccounts of the Reserve Account, if any; (iii) third, from other Revenues to the extent available; and (iv) fourth, from any other source lawfully available to the Trustee, including without limitation, proceeds from the leasing of the Facilities or the 2026 Real Property in accordance with the terms of the Purchase and Use Agreement and the Base Lease.

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

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

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

(ii) On or prior to the expiration of a Reserve Surety delivered pursuant to (i) above which expires prior to the maturity date of the Bonds of such series, the Corporation must cause to be delivered a replacement Reserve Surety, or the applicable subaccount of the Reserve Account must be fully funded by a claim against such expiring Reserve Surety, or

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

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

Section 5.6 Reserved.

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

(b) At the written direction of the Authorized Financial Representative, from time to time, the Trustee shall sell investments and reinvest the proceeds therefrom in Permitted Investments maturing or redeemable or available as required hereunder. The Trustee may enter into transactions for the purchase or sale of Permitted Investments with itself or any bank, trust company or savings and loan association affiliated with the Trustee. The Trustee shall sell or redeem Permitted Investments credited to the Bond Fund at the times required for the purpose of paying amounts due with respect to the Bonds payable therefrom when due as aforesaid, and shall do so without necessity for any order. An investment made from moneys credited to any Account

in the Bond Fund shall constitute part of that Account and Fund, and each Account and Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

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

(d) Investment income from investment of a particular subaccount of the Acquisition Account shall be retained in such subaccount and credited against the amount of the applicable Base Payments to be paid by the 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, 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 Acquisition Account of the Bond Fund and available to make payments due on the next Bond Payment Date, and the amount of the applicable Base Payment by the City on that date shall be reduced by such amount. So long as the Trustee provides reports to the City not less than quarterly as to the investment of monies in the Funds and Accounts hereunder, the Trustee shall not be required to deliver brokerage confirmations as to any investment hereunder.

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

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

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

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

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

provided, however, that unless there has been a withdrawal from such Reserve Account to prevent a deficiency in any related Bond Fund, all investments in the Reserve Account shall be valued at

their original cost. The Trustee shall value the investments in the Reserve Account and each subaccount therein at least 15 days prior to each Bond Payment Date during the term of the Purchase and Use Agreement.

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

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

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

Section 5.9 Nonpresentment of Bonds. If any Bond is not presented for payment when its principal becomes due in whole or in part, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Corporation or the 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 5.10 Repayment to City from Bond Fund. Except as provided in Section 5.9 hereof, any amounts remaining in the Bond Fund in excess of the amounts necessary to effect the payment and discharge of the Bonds (i) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Trust Agreement, and (ii) after payment of all fees, charges and expenses of the Trustee (including attorneys' fees and costs) and of all other amounts

required to be paid under this Trust Agreement and the Purchase and Use Agreement, shall be paid to the 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.

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

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

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

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

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

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or 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) approved by the Trustee in its sole and absolute discretion. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

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

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

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

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

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

(ii) the validity, priority, perfection, recording, rerecording, filing or refiling of this Trust Agreement or any Supplemental Agreement (or any assignment agreement

related hereto or thereto), the Purchase and Use Agreement or the Base Lease or any financing statement with respect to the Trust Estate,

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

(iv) the initial filing of financing statements,

(v) insurance of any of the Facilities or the 2026 Real Property or collection of insurance moneys,

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

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

(viii) the value of or title to the Facilities or the 2026 Real Property, or

(ix) the maintenance of the security hereof, except that, in the event that the Trustee enters into possession of a part or all of the Facilities or the 2026 Real Property pursuant to any provision of the Purchase and Use Agreement or any other instrument or document collateral thereto, the Trustee shall use due diligence in preserving that property.

Pursuant to Section 10.1(b) hereof, the Trustee shall enforce (but otherwise have no duty to monitor) all covenants, agreements and obligations of the City under and pursuant to the Base Lease and the Purchase and Use Agreement. 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.

(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. Further, the Trustee shall not be deemed to have notice of an Event of Nonappropriation unless it shall have received written notice of the same or the City fails to timely file the annual budget and certificate of a City Representative with the Trustee by July 15 of each year, as required by Section 5.8 of the Purchase and Use Agreement.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may inspect and copy fully all books, papers and records of the Corporation pertaining to the Facilities or any Additional Facilities and the 2026 Real Property or any Additional Real Property, and may make any memoranda from and in regard thereto as the Trustee may desire in its sole discretion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6.6 Resignation by Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the 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 hereunder or under the Purchase and Use Agreement, 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 51% 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 and is continuing, 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 50 days of the occurrence of any event listed in Section 6.8(a)(i)-(iii) hereof, the Holder of any Outstanding Bond hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. Notwithstanding any other provision of this Trust Agreement to the contrary, no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee hereunder.

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

(c) Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor and to the Corporation and the 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 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 Facilities and the 2026 Real Property, (ii) for the discharge of mechanic's and other liens relating to the Facilities or the 2026 Real Property, (iii) to obtain and maintain insurance for the Facilities and the 2026 Real Property 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, to the City and the Corporation, within five days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs of which the Trustee has notice as described in Section 6.2(f) hereof, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Outstanding Bonds as shown by the Register at the close of business 15 days prior to the mailing of that notice.

Section 7.3 Remedies; Rights of Holders.

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

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

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

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

(i) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the Corporation and require and compel the Corporation to perform and carry out its duties and obligations under this Trust Agreement or enforce any such remedies against the 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) *Remedies Under UCC.* Subject to the terms of the Base Lease, the Trustee may exercise any rights, powers, or remedies it may have as a secured party under the UCC of the State, or other similar laws in effect.

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

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

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

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

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

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

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

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

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

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee upon advice of counsel shall determine, having due regard to the amount of moneys available for application and the

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

(e) Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the 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 51% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have provided indemnity to the Trustee as provided in Sections 6.1 and 6.2 hereof; and the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name. Such notification (or notice), request, opportunity and provision of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

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

Section 7.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Trust Agreement in any suit, action or proceedings,

and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Corporation and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

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

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ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

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

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

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

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

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

(d) To accept additional security and instruments and documents of further assurance with respect to the Facilities and the 2026 Real Property;

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

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

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

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

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

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

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

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

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

(n) To reflect a change in law.

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

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

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

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

If the Corporation shall request that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses and liability in connection therewith, and (ii) if required by Section 8.4 hereof, receipt of the 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 at the written direction of the Corporation of not less than 60 days but not exceeding one year, following the mailing of

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

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond executed and delivered in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Agreement). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the 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 in writing 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 in writing 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 Corporation. The Trustee shall not be required to execute a Supplemental Agreement containing provisions, which in the opinion of the Trustee or its counsel, are adverse to the Trustee.

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

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

* * *

ARTICLE IX

DEFEASANCE

Section 9.1 Defeasance. (a) When the principal of and interest on, or redemption price (as the case may be) of, any of the Bonds issued hereunder has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the Corporation and the City, 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,

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

(iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Bonds; provided that, to the extent such deposit does not consist of cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements hereof.

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

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

Section 9.2 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Trust Agreement which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer, and registration of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and payments to the 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) *Register*. At reasonable times and under reasonable regulations established by the Trustee, the Register for the Bonds may be inspected and copied by the Corporation, the City or Holders of 51% or more in principal amount of the Outstanding Bonds, or a designated representative therefor.

(b) *Rights and Enforcement of Base Lease and Purchase and Use Agreement*. The Trustee may and shall enforce, in its name, all rights of the Corporation under the Base Lease and the Purchase and Use Agreement for and on behalf of the Holders. The Trustee covenants and agrees to perform all obligations and duties imposed on it by assignment hereunder, and to enforce all covenants, agreements, and obligations of the 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 (i) it is duly authorized to execute and deliver this Trust Agreement and to perform its obligations hereunder in the manner and to the extent set forth in this Trust Agreement and, (ii) all actions required on its part to be performed for the execution and delivery of the Bonds and this Trust Agreement have been or will be taken duly and effectively.

* * *

ARTICLE XI

AMENDMENTS TO BASE LEASE AND PURCHASE AND USE AGREEMENT

Section 11.1 Amendments Not Requiring Consent of Holders. Without the consent of or notice to the Holders, the Trustee, as trustee and as lessee by assignment, at the written direction of the Corporation, shall consent to any amendment, change or modification of the Base Lease and the Purchase and Use Agreement as may be required (i) by the provisions of the Base Lease, the Purchase and Use Agreement or this Trust Agreement, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Base Lease or the Purchase and Use Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Trust Agreement pursuant to Section 8.2 hereof, (iv) in connection with the issuance of Additional Bonds as provided for herein, or (v) in connection with any other change therein which is not to the prejudice of the Trustee (in the judgment of the Trustee) or the Holders. No such consent or notice to the Holders shall be required with respect to any amendment to add to the description of the 2026 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.

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 any legal or equitable right, remedy, power or claim under or with respect to this Trust Agreement or any covenants, agreements, conditions and provisions contained herein. This Trust Agreement and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds as provided herein.

Section 12.2 Severability. In case any section or provision of this Trust Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein and shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

Section 12.3 Notices. Except as provided in Section 7.2 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is mailed by first class mail, postage prepaid. Notices to the Corporation, the City, and the Trustee shall be addressed as follows:

If to the City:

City of Camden, South Carolina
Attn: City Manager
407 E. DeKalb Street
Camden, SC 29021

If to the Corporation:

Camden Public Facilities Corporation
Attn: President
407 E. DeKalb Street
Camden, SC 29021
(with copy to the City as described above)

If to the Trustee:

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

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. 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.

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

Section 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 (as defined in the Purchase and Use Agreement).

Section 12.10 Binding Effect. This Trust Agreement shall inure to the benefit of and shall be binding upon the Corporation and upon the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 12.11 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 12.12 Governing Law. This Trust Agreement and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 12.13 Limitation of Liability of Corporation. All payments to be made by the Corporation or obligations of the Corporation hereunder are payable solely from the Trust Estate and Revenues derived therefrom.

* * *

(Signature Page Follows)

IN WITNESS WHEREOF, the Corporation has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officer, effective as of [May 1, 2026].

CAMDEN PUBLIC FACILITIES CORPORATION

(SEAL)

Attest: By: _____
Mary Ellen Green, President

By: _____
Ned Barnes, Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Natalie M. Charles, Vice President

EXHIBIT A

[FORM OF SERIES 2026 BONDS]

Registered
No. R-1 $_____

CAMDEN PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS)
SERIES 2026

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP**
_____%	_____ 1, _____	_____, 2026	_____

Holder: CEDE & CO.

Principal Amount: _____ DOLLARS

Camden Public Facilities Corporation (the "***Corporation***"), a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "***State***"), for value received hereby acknowledges itself obligated to, and promises to pay the Holder identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, on the Maturity Date set forth above, and to pay interest on the unpaid balance of said sum from the most recent April 1 or October 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 April 1 or October 1 (each a "***Bond Payment Date***") of each year commencing October 1, 2026, until the Corporation's obligation with respect to payment of the principal amount is discharged.

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

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

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

This bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to $[Amount] and designated as "Camden Public Facilities Corporation, Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "***Bonds***"), issued under a Trust Agreement, dated as of May 1, 2026 (the "***Trust Agreement***"), between the Corporation and the Trustee, to provide funds (i) to defray the cost of the 2026 Project (as defined in the Trust Agreement), and (ii) to pay costs related to the issuance of the Series 2026 Bonds. Any terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Trust Agreement.

The City Council of the City has enacted an ordinance dated April 21, 2026, approving the Corporation and the issuance of the Bonds by the Corporation. The City has leased the real property on which the Facilities (as defined in the hereinafter defined Purchase and Use Agreement) are located to the Corporation under the terms of a Base Lease Agreement dated as of May 1, 2026 (the "***Base Lease***").

The Bonds and the interest thereon and redemption premium, if any, shall be an obligation of the Corporation, and shall be secured by and payable from the Trust Estate (as defined in the Trust Agreement). The Bonds do not and shall not be deemed to constitute or create an indebtedness, liability or obligation of City within the meaning of any State constitutional provision or statutory limitation or a pledge of the 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 Holder, from time to time, of the Bonds.

Pursuant to the Trust Agreement, the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the Trust Estate which includes the Revenues (as defined in the Trust Agreement) consisting of the Installment Payments (as defined in the Trust Agreement) payable by the City under the Installment Purchase and Use Agreement dated as of May 1, 2026 (the "***Purchase and Use Agreement***"), between the Corporation and the City, any other sums arising under the Purchase and Use Agreement, amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement and the investment income therefrom. The Trust Agreement further provides that the Corporation may issue additional bonds secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the

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

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

(a) In the event the City exercises its option pursuant to the Purchase and Use Agreement to prepay Base Payments, the Bonds maturing after [_____ 1, 203_], will be redeemed in whole on any date or in part on any date, on or after [_____ 1, 203_], 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 Series 2026 Bonds maturing on April 1, 20__ (the "***20__ Term Bonds***"), shall be subject to mandatory sinking fund redemption commencing April 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on April 1, of each of the following years in the respective principal amounts for each year specified below:

Year	Principal Amount
	*

* Final Maturity

The amounts of any mandatory sinking fund redemptions set forth above will be reduced to the extent the 202__ 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 Holders of the Bonds to be redeemed at their addresses appearing on the Register maintained by the Trustee, said mailing to be not less than 30 days, but not more than 60 days, prior to the redemption date. Failure of the Trustee to give any notice of redemption or any defects in such notice shall not affect the validity of the redemption of any other Bonds.

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

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

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

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

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

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

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

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

CAMDEN PUBLIC FACILITIES CORPORATION

(SEAL)

Attest:

By: _____
Mary Ellen Green, President

By: _____
Ned Barnes, 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: May __, 2026

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

By: _____
Vice President

[FORM OF ASSIGNMENT]

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

_____

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

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

_____ _____
Signature (Authorized Officer)

Dated:

EXHIBIT B

[FORM OF REQUISITION]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attention: Corporate Trust Department

Re: $[Amount] Camden Public Facilities Corporation Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of May 1, 2026 (the "***Trust Agreement***"), between you and Camden Public Facilities Corporation (the "***Corporation***") and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of $_____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Included herewith is documentation supporting the payments requested herein.

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

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2026 Project that are properly capitalizable into the cost of acquiring tangible real or tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of the City of Camden, 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 CAMDEN, SOUTH CAROLINA

By:_____
City Representative

CAMDEN PUBLIC FACILITIES CORPORATION

By:_____
Corporation Representative

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 2026 Project has been substantially completed in accordance with the terms and conditions of the Purchase and Use Agreement, and that the 2026 Project as completed complies in all material respects with all applicable governmental regulations.

Dated this _____day of_____, 20__.

CITY OF CAMDEN, SOUTH CAROLINA

By:_____
City Representative

CAMDEN PUBLIC FACILITIES CORPORATION

By:_____
Corporation Representative

EXHIBIT C

[FORM OF FINAL REQUISITION]

DIRECTION TO MAKE FINAL DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attention: Corporate Trust Department

Re: $[Amount] Camden Public Facilities Corporation Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of May 1, 2026 (the "***Trust Agreement***"), between you and Camden Public Facilities Corporation (the "***Corporation***") and in accordance with the provisions of Section 5.3(c) of the Trust Agreement, you are hereby directed to disburse from the Project Fund, the total sum of $_____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Said sum represents the final requisition from said Project Fund. Included herewith is documentation supporting the payments requested herein.

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

A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the 2026 Project that are properly capitalizable into the cost of acquiring tangible real and tangible personal property, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Camden, 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 2026 Project 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 2026 Project have been, or upon receipt by the City of the payment of the final requisition request will be, paid

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The Base Lease

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BASE LEASE AGREEMENT

between

CITY OF CAMDEN, SOUTH CAROLINA
as lessor

and

CAMDEN PUBLIC FACILITIES CORPORATION
as lessee

Dated as of May 1, 2026

All right, title, and interest of the Camden Public Facilities Corporation in this Base Lease Agreement have been assigned to U.S. Bank Trust Company, National Association as Trustee under the Trust Agreement dated as of May 1, 2026, and are subject to the security interest of the Trustee.

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BASE LEASE AGREEMENT

This BASE LEASE AGREEMENT dated as of May 1, 2026 (this "***Base Lease***") is made and entered into by and between the CAMDEN PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the "***Corporation***"), a South Carolina nonprofit corporation, as lessee, and the CITY OF CAMDEN, SOUTH CAROLINA (the "***City***"), a political subdivision of the State of South Carolina (the "***State***"), as lessor.

WITNESSETH:

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

WHEREAS, the City is a political subdivision of the State and is authorized under the provisions of Sections 5-7-30 and 5-7-40, Code of Laws of South Carolina 1976, as amended, to enter into this Base Lease;

WHEREAS, the City is the owner of the Existing Facilities and 2026 Real Property (as such terms are defined herein, respectively);

WHEREAS, the City desires to convey the Existing Facilities and lease the 2026 Real Property to the Corporation so that the Corporation may provide for the 2026 Project (as defined in the hereinafter defined Purchase and Use Agreement) with the proceeds of the Series 2026 Bonds (as defined in the hereinafter defined Trust Agreement);

WHEREAS, the Facilities (as defined in the Purchase and Use Agreement) will be sold by the Corporation to the City under the terms of an Installment Purchase and Use Agreement dated as of May 1, 2026 (the "***Purchase and Use Agreement***") between the Corporation and the City;

WHEREAS, the payments to be made under the Purchase and Use Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***"), pursuant to the terms of a Trust Agreement dated as of May 1, 2026 (the "***Trust Agreement***"), between the Corporation and the Trustee, in order to secure and provide a source of payment for certain bonds, the proceeds of which are to be used for the purposes described above and in the Trust Agreement; and

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

NOW, THEREFORE, in consideration of the payment of the Base Lease Rent (as defined herein) and premises and the mutual covenants and agreements set forth herein, 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 are used with the meanings provided therefor in the Trust Agreement or the Purchase and Use Agreement, unless some other meaning is plainly intended. In addition, the following terms shall have the meanings set forth below, unless some other meaning is plainly intended:

"***2026 Project***" has the meaning set forth in the Purchase and Use Agreement.

"***2026 Real Property***" means the real property, absent any improvements thereon, on which the 2026 Project is or will be located, as described in Exhibit A hereto.

"***Additional Real Property***" means any real property made subject to this Base Lease pursuant to any supplement hereto.

"***Base Lease Rent***" means the amount set forth in Section 3.4 of this Base Lease.

"***Base Lease Term***" means the term of this Base Lease which begins on May 14, 2026, and ends on the earlier of (i) May 1, 2061, or (ii) the date on which the Series 2026 Bonds are discharged within the meaning of Section 3.19(d) of the Trust Agreement.

"***City***" means the City of Camden, South Carolina.

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

"***Corporation***" means the Camden Public Facilities Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

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

"***Existing Facilities***" means those certain improvements presently existing on the 2026 Real Property, as described in Exhibit B hereto, and does not include any real property.

"***Facilities***" has the meaning given such term in the Purchase and Use Agreement.

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

"***Ordinance***" means the Ordinance enacted by the Council on April 21, 2026, authorizing the City's execution and delivery of this Base Lease and the Purchase and Use Agreement and consenting to the Trust Agreement.

"***Purchase and Use Agreement***" means the Installment Purchase and Use Agreement dated as of May 1, 2026, between the Corporation and the City.

"***State***" means the State of South Carolina.

"***Trust Agreement***" means the Trust Agreement dated as of May 1, 2026, between the Corporation and the Trustee.

"***Trustee***" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States, and its successor or successors and any other trustee which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Trust Agreement.

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

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

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

* * *

ARTICLE II

REPRESENTATIONS

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

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

(b) The conveyance of the Existing Facilities from the City to the Corporation and the demise and lease of the 2026 Real Property by the City to the Corporation, as provided in this Base Lease, in order to allow the Corporation (i) to defray the costs of the 2026 Project, (ii) to provide for the issuance of the Series 2026 Bonds, and (iii) to provide for the sale of the Facilities to the City pursuant to the Purchase and Use Agreement, have been undertaken in order to enable the City to continue to provide suitable public facilities in the City for essential governmental functions.

(c) The City 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 2026 Real Property and the Facilities shall be or may be impaired, changed, or encumbered in any manner whatsoever except as permitted by this Base Lease or the Purchase and Use Agreement.

(f) The City has good, valid, and marketable title to and is the fee owner of the 2026 Real Property existing on the date hereof. Prior to the conveyance of the Existing Facilities to the Corporation pursuant to Section 3.1 hereof, any improvements on the 2026 Real Property existing on the date hereof are free and clear of all liens, encumbrances, and restrictions (including, without limitation, leases) other than Permitted Encumbrances (as defined in the Purchase and Use Agreement). To the extent permitted by law, the City further binds itself to warrant and forever defend the 2026 Real Property, and the Facilities and improvements thereon, unto the Corporation, its successors and assigns, against the City and its assigns and against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

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

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

Agreement, and the Corporation has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.

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

(c) To provide funds to defray the costs of the 2026 Project, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2026 Bonds payable from and secured by the Installment Payments under the Purchase and Use Agreement.

* * *

ARTICLE III

CONVEYANCE AND LEASE OF THE 2026 REAL PROPERTY AND CONVEYANCE OF IMPROVEMENTS

Section 3.1 Lease of the 2026 Real Property; Conveyance of Existing Facilities. The City hereby demises and leases to the Corporation and the Corporation hereby leases from the City the 2026 Real Property for a term which ends on the expiration of the Base Lease Term for the rentals and other consideration set forth in Section 3.4 hereof and in accordance with the provisions of this Base Lease. The City hereby conveys the Existing Facilities to the Corporation and the Corporation hereby accepts such conveyance from the City. The parties hereto agree to amend Exhibit A to this Base Lease by the execution of a Supplement to Base Lease Agreement, in substantially the form of Exhibit C attached hereto, from time to time, if the City acquires Additional Real Property which should become subject to this Base Lease.

Section 3.2 Purchase of the Facilities. Pursuant to the terms of the Purchase and Use Agreement, the Corporation will provide for the 2026 Project and will convey title to the 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 (i) mortgage or otherwise encumber or assign its rights under this Base Lease, (ii) lease, assign, transfer, or otherwise dispose of its interest in the 2026 Real Property or the Facilities or any portion thereof or (iii) remove, modify, or alter the 2026 Real Property or the Facilities, without the consent of the City.

Section 3.4 Rent and Other Consideration. As and for rental hereunder and in consideration for the leasing of the 2026 Real Property to the Corporation hereunder, the Corporation agrees (i) to pay to the City an annual amount of Base Lease Rent of One Dollar ($1.00) per year, and (ii) to fulfill its obligations with respect to the Facilities as provided in the Purchase and Use Agreement.

Section 3.5 Taxes and Insurance. The City shall pay and have responsibility for all taxes on and insurance of the 2026 Real Property and the 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. (a) From time to time during the term hereof and so long as there is not an existing Event of Default under the Purchase and Use Agreement and there has not occurred an Event of Nonappropriation (as defined in the Purchase and Use Agreement) that has not been waived by the Corporation or the Trustee (if applicable), 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 with or incompatible with the continued use of the balance of the 2026 Real Property for its intended purposes. Such instruments may include a termination of this Base Lease with respect to such portion of the 2026 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: (i) the continued use of the 2026 Real Property affected thereby will not be impaired or hampered thereby; (ii) access to the 2026 Real Property for ingress and egress will be adequate for the purposes for which the 2026 Real Property is intended to be used; and (iii) the value of the 2026 Real Property to the City will not be significantly diminished thereby.

(b) The Corporation may also terminate this Base Lease with respect to any portion of the 2026 Real Property deemed excess or unneeded for the continued operation of the Facilities and the related facilities for the purposes for which they were designed or are then being used, and release its interest in such portion to the City, upon receipt by the Corporation of the following: (i) a plat showing the location of the Facilities and related facilities and the portion of the 2026 Real Property deemed excess or unneeded; (ii) an amendment to Exhibit A hereto revising the description of the affected parcel of the 2026 Real Property; (iii) a certificate from an engineer or architect stating that the remaining 2026 Real Property will be adequate for the continued operation of the Facilities and related facilities for the purpose for which they were designed or are then being used including a certification that there will be adequate access to the remaining 2026 Real Property for ingress and egress; and (iv) a certification from the City that the portion of the 2026 Real Property being released from the provisions hereof is excess to or unneeded for the continued operation of the Facilities and related facilities for the purposes for which they were designed or are then being used.

* * *

ARTICLE IV

TERMINATION

Section 4.1 Termination. (a) This Base Lease shall terminate upon the completion of the Base Lease Term; provided, however, in the event the City exercises the option to purchase the Facilities as provided in Section 9.1 of the Purchase and Use Agreement and satisfies the conditions thereof, then this Base Lease shall be considered terminated through merger of the leasehold interest with the interest of the City and, provided further, that upon any partition of the Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, this Base Lease shall be terminated with respect to that portion of the 2026 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 of the Purchase and Use Agreement, to quit and surrender the 2026 Real Property and that all title and interest in the Facilities and the 2026 Real Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances (as defined in the Purchase and Use Agreement). The Corporation agrees, upon any partition of the Facilities provided for in Section 2.4 of the Purchase and Use Agreement, to quit and surrender the City Real Property and that all title and interest in the City Facilities and the City Real Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances.

If an Event of Default under the Purchase and Use Agreement occurs or if the City fails to continue the Purchase and Use Agreement for the entire term thereof for any reason, the Corporation shall have the right of possession of the portion of the 2026 Real Property (the "***Corporation Real Property***") relating to the Corporation Facilities (as defined in the Purchase and Use Agreement) as the result of a partition as provided for in Section 2.4 of the Purchase and Use Agreement for the remainder of the Base Lease Term and shall have the right to sublease the Corporation Facilities or transfer its leasehold interest in the Corporation Real Property and in this Base Lease upon whatever terms and conditions it deems prudent; provided that the Corporation Facilities shall always be operated in compliance with all applicable governmental rules, regulations and orders. Both parties acknowledge that the 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 2026 Real Property and the Facilities as they existed as of the Partition Date (as defined in the Purchase and Use Agreement) and the Corporation shall provide the City with adequate public liability and comprehensive risk insurance covering any additions, alterations, furnishings and fixtures to the Corporation Facilities acquired, constructed or installed after the Partition Date, and shall pay all taxes relating to any additions, alterations, furnishings and fixtures located therein for the remainder of the Base Lease Term and will furnish the 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 Bonds then Outstanding (as defined in the Trust Agreement) at the time of termination or default and the interest and premium, if any, due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the 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 2026 Real Property or the Facilities or to take possession of the 2026 Real Property or the Facilities (except pursuant to the Purchase and Use Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term notwithstanding any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's entire interest in the Facilities granted to the 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 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 2026 Real Property and the 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 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 2026 Real Property, and will not cause, permit, or suffer to be caused or permitted waste thereto. At the conclusion of the term of this Base Lease, the 2026 Real Property shall be returned to the City, together with the Facilities and any other improvements thereto, in substantially the condition thereof as of the date hereof or the date the Additional Real Property is added hereto, subject to normal wear and tear. Except as contemplated under the Purchase and Use Agreement, the Corporation shall not make or consent to any other improvements, modifications or alterations to the 2026 Real Property or the Facilities or any portion thereof, or remove any part thereof without the prior 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 2026 Real Property,

the provisions of Article VII of the Purchase and Use Agreement shall be deemed to apply with respect to the 2026 Real Property in like manner as provided therein with respect to Facilities, and the net proceeds from any insurance policies, performance bonds, or condemnation awards shall be applied in the same manner for the benefit of 2026 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 2026 Real Property, the proceeds of any insurance or condemnation awards allocable to the Corporation's interest in the 2026 Real Property shall be applied as directed by the Trustee either in the manner provided in Section 7.2 of the Purchase and Use Agreement or to the retirement of all Bonds then Outstanding and the excess, if any, remaining thereafter to such use as the City may direct.

* * *

ARTICLE V

CONTROL OF 2026 REAL PROPERTY AND FACILITIES DURING BASE LEASE TERM

Section 5.1 Control of 2026 Real Property and Facilities During Base Lease Term. Subject to the provisions of the Purchase and Use Agreement and Section 4.6 hereof, during the Base Lease Term, the Corporation shall have complete control over the 2026 Real Property and the Facilities and their operation.

* * *

ARTICLE VI

MISCELLANEOUS

Section 6.1 Covenants Running with the 2026 Real Property. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the 2026 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 6.2 Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, and the Corporation, and their respective successors and assigns.

Section 6.3 Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

Section 6.4 Amendment, Changes, and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee, if and to the extent required by the Trust Agreement, other than (i) to make any Additional Real Property subject to this Base Lease, or (ii) as provided in Section 3.6 hereof in connection with the granting of easements, releases, and substitutions.

Section 6.5 Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

Section 6.6 Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

Section 6.7 Captions. The section and headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions hereof.

Section 6.8 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Base Lease to be given to or filed with the City, the Corporation, or the Trustee if the same is given or filed in the manner and at the addresses specified in the Trust Agreement.

Section 6.9 Successors and Assigns. All covenants, promises and agreements contained in this Base Lease by or on behalf of or for the benefit of the City or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 6.10 Compliance. Notwithstanding anything in this Base Lease to the contrary, during the term of this Base Lease, neither the Corporation nor any assignee of the Corporation's interest hereunder nor any sublessee of the Corporation shall operate the Facilities for any purpose which is not in compliance with all applicable governmental rules, regulations and orders.

* * *

WITNESS the due execution of this Base Lease effective as of May 1, 2026.

CITY OF CAMDEN, SOUTH CAROLINA

(SEAL)

Witnesses

By: _____
Vincent Sheheen, Mayor

_____

_____

Attest:

_____
Brenda Davis, City Clerk

CAMDEN PUBLIC FACILITIES CORPORATION

(SEAL)

Witnesses

By: _____
Mary Ellen Green, President

_____

_____

Attest:

_____
Ned Barnes, Secretary

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF KERSHAW)

On this __ day of _____, 2026, Vincent Sheheen, PERSONALLY, appeared before me and acknowledged that he is the Mayor of the City of Camden, South Carolina and that by authority duly given, he executed the foregoing on behalf of the City.

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

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF KERSHAW)

On this __ day of _____, 2026, Mary Ellen Green, PERSONALLY, appeared before me and acknowledged that she is the President of the Camden Public Facilities Corporation and that by authority duly given, she executed the foregoing on behalf of such corporation.

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

EXHIBIT A

LEGAL DESCRIPTIONS OF 2026 REAL PROPERTY

City Hall Component

All that piece, parcel and lot of land, with improvements situate thereon, containing 1.19 acres, more or less, located in the City of Camden, County of Kershaw, State of South Carolina.

This parcel is bound and fronts on the North by Dekalb Street, on the West by Market Street, and on the South and East by other property of the City of Camden, South Carolina.

This parcel is more particularly shown and described on that survey, which is incorporated herein, prepared for the City of Camden by Robert H. Lackey Surveying, Inc. dated March 18, 2026, recorded in the Kershaw County Register of Deeds Office at Plat Volume E33, Page 10-A, on March 25, 2026. Reference is made to said survey for a more complete description of the parcel herein described, the entirety of which is incorporated herein.

This being a portion of the property conveyed to the City of Camden, South Carolina, by deeds of First Palmetto Bank, a South Carolina state chartered corporation to the City of Camden, South Carolina dated January 16, 2026 recorded in the office of the Kershaw County Register of Deeds at Book 5508, page 274 and Book 5508, page 285 on January 16, 2026.

Tax Map No.: C284-12-00-142

Public Safety Component

All that piece, parcel and lot of land, with improvements thereon, containing 3.245 acres, more or less, located in the City of Camden, County of Kershaw, State of South Carolina.

This parcel is bound and fronts on the West by Lyttleton Street; on the North by other property of the City of Camden, South Carolina and by property of Jai Jalarambapa Camden, LLC; on the East and South by other property of the City of Camden, South Carolina. This parcel is more particularly shown and described as Lot 1 on that survey, which is incorporated herein, prepared for the City of Camden by Robert H. Lackey Surveying, Inc. dated April 17, 2026, recorded in the Kershaw County Register of Deeds Office at Plat Volume E36, Page 1, on April 20, 2026.

Reference is made to said survey for a more complete description of the parcel herein described the entirety of which is incorporated herein, and subject to such matters, if any, as shown thereon.

This being a portion of the property conveyed to the City of Camden by deed of W.A. Metts, Jr. and Sally Bland Metts dated March 13, 1951, recorded in the office of the Kershaw County Register of Deeds at Book ED, page 132 on March 13, 1951.

Tax Map No.: C285-13-00-001

EXHIBIT B

DESCRIPTION OF EXISTING FACILITIES

The Existing Facilities comprise those improvements currently existing on the below listed parcels. The Existing Facilities do not include any real property.

Facilities Component	**TMS Number**
City Hall Facilities Component	C284-12-00-142
Public Safety Component	C285-13-00-001

EXHIBIT C

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

THIS SUPPLEMENT TO BASE LEASE AGREEMENT (this "***Supplement***") dated _____, 20__, by and between CITY OF CAMDEN, SOUTH CAROLINA, a political subdivision duly existing under the laws of the State of South Carolina, as lessor (the "***City***"), and the CAMDEN PUBLIC FACILITIES CORPORATION, a South Carolina nonprofit corporation duly organized and existing under the laws of the State of South Carolina, as lessee (the "***Corporation***").

WHEREAS, the City and the Corporation have entered into that certain Base Lease Agreement dated as of May 1, 2026 (the "***Base Lease***"), and pursuant to Section 3.1(a) thereof, enter into this Supplement for the purposes set forth herein.

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

The Base Lease is hereby amended to delete Exhibit A attached thereto and replace it in its entirety with Exhibit A-1 attached hereto.

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

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WITNESSES:

CORPORATION:

CAMDEN PUBLIC FACILITIES CORPORATION

_____ By: _____
_____ Its: _____

_____ By: _____
_____ Its: _____

CITY:

CITY OF CAMDEN, SOUTH CAROLINA

_____ By: _____
_____ Its: _____

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

May __, 2026

Camden Public Facilities Corporation
Camden, South Carolina

City of Camden
Camden, South Carolina

Re: $_____ Camden Public Facilities Corporation Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026

Ladies and Gentlemen:

We have acted at the request of the City of Camden, South Carolina (the "***City***") and the Camden Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "***Corporation***"), as bond counsel in connection with the issuance and delivery by the Corporation of its $10,670,000 Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "***Series 2026 Bonds***"). The Series 2026 Bonds are being issued by the Corporation in accordance with the constitution and laws of the State of South Carolina, and pursuant to a Trust Agreement dated as of May 1, 2026 (the "***Trust Agreement***"), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***"). All capitalized terms used and not defined herein have the meanings provided for such terms in the Trust Agreement or in the Installment Purchase and Use Agreement dated as of May 1, 2026 (the "***Purchase and Use Agreement***") between the Corporation and the City.

Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, all right, title and interest of the Corporation (with certain exceptions) in and to the Revenues including, without limitation, the Installment Payments and other amounts receivable by or on behalf of the Corporation thereunder, all of the Corporation's right, title and interest in and to the Facilities and other rights of the Corporation in connection with its ownership of the Facilities, the Purchase and Use Agreement (except certain reserved rights), the Base Lease, any insurance and condemnation proceeds with respect to the Facilities, and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement.

The Series 2026 Bonds are being issued as fully registered certificates in book-entry only form, numbered from R-1 upwards in such fashion as to maintain a proper record thereof, will bear interest payable at the rates and at the times, and will be subject to redemption prior to maturity, all as provided in the Trust Agreement.

The Corporation is issuing the Series 2026 Bonds for the purpose of providing funds, together with other available amounts, to finance the costs of the 2026 Project and the costs of issuance thereof.

The obligations of the City under the 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 constitutional or statutory limitation. The City is not a party to the Trust Agreement or the Series 2026 Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the City and the Corporation contained in the Base Lease Agreement dated as of May 1, 2026 (the "***Base Lease***"), by and between the City and the Corporation, the Purchase and Use Agreement, the Trust Agreement and the Tax Certificate, relating to the Series 2026 Bonds and in the certified proceedings and other certifications of officials of the City and the Corporation furnished to us, without undertaking to verify the same by independent investigation. In our capacity as Bond Counsel, we have examined: (1) the constitution and the laws of the State of South Carolina; (2) executed counterparts of the Base Lease, the Purchase and Use Agreement, the Trust Agreement and the Tax

Certificate; (3) the form of the Series 2026 Bonds to be executed and authenticated; (4) certain other proofs submitted to us by the City, the Corporation and the Trustee; and (5) such other documents as we have deemed necessary in order to deliver this opinion.

Based on such examination, and subject to the considerations set forth herein and upon such reliance, we are of the opinion as of the date hereof, as follows:

1. The Series 2026 Bonds have been duly authorized, executed and delivered and constitute valid special limited obligations of the Corporation payable solely from, and secured equally and ratably by a pledge of, the Trust Estate and sources described in the Trust Agreement. The Series 2026 Bonds are entitled to the benefits and security of the Trust Agreement for the payment thereof in accordance with the terms of the Trust Agreement.

2. The Base Lease has been duly authorized, executed and delivered and constitutes a valid and binding obligation of the City and the Corporation enforceable in accordance with its terms.

3. The Purchase and Use Agreement has been duly authorized, executed, and delivered and constitutes a valid and binding obligation of the City and the Corporation enforceable in accordance with its terms; provided, however, that the payment obligations of the City for Installment Payments under the Purchase and Use Agreement is limited to annually appropriated funds of the City. The continuation of the Purchase and Use Agreement beyond each fiscal year of the City and the City's obligation to pay Installment Payments in each fiscal year are subject to and dependent upon annual appropriations of sufficient funds therefor by the City Council of the City of Camden, the governing body of the City.

4. The Trust Agreement has been duly authorized, executed and delivered by the Corporation and assuming due authorization, execution and delivery by the Trustee, constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

5. The City has approved both the Corporation and the issuance of the Series 2026 Bonds by the Corporation.

6. Under existing law, assuming continuing compliance with certain covenants made by the Corporation to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "***Code***") and the applicable regulations promulgated thereunder, and the accuracy of certain representations of the Corporation, interest on the Series 2026 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Such interest will, however, be taken into account in determining the "annual adjusted financial statement income" of certain "applicable corporations" (as those terms are defined in Section 59(k) of the Code) for purposes of the 15-percent minimum tax imposed on the adjusted financial statement income of such corporations. We express no opinion regarding any other federal tax consequences that may arise with respect to the Series 2026 Bonds.

7. Under existing law, both the Series 2026 Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities, and school districts, except estate, transfer, and certain franchise taxes. Interest on the Series 2026 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the South Carolina Department of Revenue as a franchise tax.

No opinion is expressed regarding tax consequences arising with respect to the Series 2026 Bonds other than as expressly set forth herein.

The rights of the owners of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds, the Base Lease, the Purchase and Use Agreement and the Trust Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and may be limited by equitable principles, whether considered at law or in equity.

In our capacity as Bond Counsel, we express no opinion herein as to the accuracy, adequacy or completeness of the Preliminary Official Statement or the Official Statement relating to the Series 2026 Bonds, or regarding matters of title or the perfection or priority of the lien on the Trust Estate, Revenues, or other funds created by the Trust Agreement.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

Pope Flynn, LLC

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APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated May ___, 2026, is executed and delivered by the City of Camden, South Carolina (the "City") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the City in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule"). Pursuant to the Installment Purchase and Use Agreement (the "Purchase and Use Agreement") dated as of May 1, 2026, by and between the City and the Camden Public Facilities Corporation (the "Issuer"), the City has covenanted to provide the information required by the Rule (as defined herein) as an Obligated Person (as defined in the Rule) in connection with the issuance of the Issuer's Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026 (the "Bonds").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the City or the Issuer or anyone on the City's or Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the City 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 City and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the City pursuant to Section 9 hereof.

"Disclosure Representative" means the Director of Finance, or his or her designee, or such other person as the City 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 City'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 shutdown 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 (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means Camden Public Facilities 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.

"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 City, 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 City and the Issuer in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The City 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 February 1 following] the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2026. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the City will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City 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 City are prepared but not available prior to the Annual Filing Date, the City 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) hereof with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the City

pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material, and tender offers;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

13. "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"

14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"

15. "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and

16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the City pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service, other than those communications included in the Rule;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;" and

10. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the City 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 City 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 City may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and

the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary, notwithstanding any information received by the Disclosure Dissemination Agent before 6:00 p.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 City, including information comparable to the information provided in the Official Statement as follows:

(i) The financial statements of the City for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 2(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(ii) Updates to the financial and operating data for the fiscal year then ended, to the extent such information is not included in the City's audited financial statements filed pursuant to clause (i) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in Appendix A to the Official Statement under the following headings/subheadings:

(1) "CERTAIN FISCAL MATTERS – City Revenue Sources", limited to financial tables in "*Ad Valorem Taxes", "Revenues from Licenses and Permits", "Local Option Sales Tax", and "Utility Fund Transfers"* (only most recent Fiscal Year)
(2) "CERTAIN FISCAL MATTERS – Summary of General Fund Operations" (only most recent Fiscal Year)
(3) "CERTAIN FISCAL MATTERS – Summary of System Revenues and Expenses" (only most recent Fiscal Year)
(4) "DEBT STRUCTURE – General Obligation Debt Limit" (table only)
(5) "PROPERTY ASSESSMENT AND TAXATION – Assessed Value of Taxable Property" (Most recent year only)
(6) "PROPERTY ASSESSMENT AND TAXATION – Tax Rates" (Most recent year only)

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 City 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 City will clearly identify each such document so incorporated by reference.

The City will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

i. Principal and interest payment delinquencies;

ii. Non-payment related defaults, if material;

iii. Unscheduled draws on debt service reserves reflecting financial difficulties;

iv. Unscheduled draws on credit enhancements reflecting financial difficulties;

v. Substitution of credit or liquidity providers, or their failure to perform;

vi. 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;

vii. Modifications to rights of Bond holders, if material;

viii. Bond calls, if material, and tender offers;

ix. Defeasances;

x. Release, substitution, or sale of property securing repayment of the Bonds, if material;

xi. Rating changes;

xii. 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.

xiii. 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;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. 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

xvi. 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 City 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 City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City 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 City 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 City 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 City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City 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 City as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The City will provide the Disclosure Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The City 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 City, 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 City 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 City 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 City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the

date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City 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 City 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 City desires to make, contain the written authorization of the City for the Disclosure Dissemination Agent to disseminate such information, and identify the date the City desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the City as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

The parties hereto acknowledge that the City is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

Nothing in this Disclosure Agreement shall be deemed to prevent the City 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 City chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the City 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 City is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The City has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The City 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 City or DAC, the City 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 City shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the City.

SECTION 10. Remedies in Event of Default. In the event of a failure of the City 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 City 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 City and shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the City's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the City at all times.

The obligations of the City 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 City.

(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 City 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 City 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 City nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so to the City together with a copy of the proposed amendment. No such amendment shall become effective if the City shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, 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. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

The Disclosure Dissemination Agent and the City have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

CITY OF CAMDEN, SOUTH CAROLINA, as City

By:_____
Name: Matthew DeWitt
Title: City Manager

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Camden Public Facilities Corporation
Obligated Person(s):	City of Camden, South Carolina
Name of Bond Issue:	$_____ Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026
Date of Issuance:	May __, 2026
Date of Official Statement	May __, 2026

CUSIP Numbers:

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Camden Public Facilities Corporation
Obligated Person(s):	City of Camden, South Carolina
Name of Bond Issue:	$_____ Installment Purchase Revenue Bonds (City of Camden City Hall and Public Safety Projects), Series 2026
Date of Issuance:	May __, 2026
Date of Official Statement	May __, 2026

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the City and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The City has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the City

_____

cc: Obligated Person
Issuer

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

or Nine-Digit CUSIP Number(s) of the Bonds to which this event notice relates:

_____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1._____"Principal and interest payment delinquencies;"
2._____"Non-Payment related defaults, if material;"
3._____"Unscheduled draws on debt service reserves reflecting financial difficulties;"
4._____"Unscheduled draws on credit enhancements reflecting financial difficulties;"
5._____"Substitution of credit or liquidity providers, or their failure to perform;"
6._____"Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to rights of securities holders, if material;"
8._____"Bond calls, if material, tender offers;"
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;"
15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
16._____"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
17._____"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 City or its agent to distribute this information publicly.

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [May 14], 2026 between the City and DAC.

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the Bonds to which this notice relates:

_____

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party;" and
10._____"other event-based disclosures."

I hereby represent that I am authorized by the City or its agent to distribute this information publicly.

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of [May 14], 2026, between the City and DAC.

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the Bonds to which this notice relates:

_____

Number of pages attached: ____

____ Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the City or its agent to distribute this information publicly.

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

APPENDIX F

DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM

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APPENDIX F

DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC") will act as depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings, a division of S&P Global Inc. ("S&P"), rating of AA+. The DTC Rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (which is not intended to be an active hyperlink).

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of Series 2026 Bonds may wish to

ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2026 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE TRUSTEE IS RESPONSIBLE OR LIABLE FOR THE FAILURE OF ANY DIRECT PARTICIPANTS OR ANY INDIRECT PARTICIPANTS TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE SERIES 2026 BONDS OR ANY ERROR OR DELAY RELATING THERETO.

NONE OF THE CITY, THE ISSUER, THE UNDERWRITER, OR THE TRUSTEE CAN OR WILL GIVE ANY ASSURANCES THAT DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR OTHER NOMINEES OF THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS WILL GIVE NOTICES RECEIVED BY THEM, OR HAVING RECEIVED PAYMENTS, WILL MAKE PRINCIPAL AND INTEREST PAYMENTS ON THE SERIES 2026 BONDS TO THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

CAMDEN PUBLIC FACILITIES CORPORATION • INSTALLMENT PURCHASE REVENUE BONDS (CITY OF CAMDEN CITY HALL AND PUBLIC SAFETY PROJECTS), SERIES 2026

Mixed Sources
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