PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 12, 2026

NEW ISSUE	**RATINGS:**
BOOK-ENTRY ONLY	**Moody's: Aa3**
NON-BANK-QUALIFIED	**(See "RATINGS" herein)**

In the opinion of Pope Flynn, LLC, Bond Counsel to the Issuer, under existing law, assuming continuing compliance by the Issuer (as defined below) 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 (as defined below) 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.

THE CITY OF
GOOSE CREEK

$15,825,000*
CITY OF GOOSE CREEK, SOUTH CAROLINA
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK PROJECTS)
SERIES 2026

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

The $15,825,000* Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026 (the "*Series 2026 Bonds*") are being issued by the Goose Creek Municipal Finance 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), (ii) to pay Base Lease Rent (as defined herein) to the City to defray the cost of the Ancillary Project (as defined herein), and (iii) 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 September 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 described herein and defined in the Facilities Agreement), under the Municipal Facilities Purchase and Occupancy Agreement to be dated as of September 1, 2026 (the "*Facilities Agreement*") between the Issuer and the City of Goose Creek, 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 Facilities 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 March 1 and September 1 of each year commencing March 1, 2027, until maturity, and principal of the Series 2026 Bonds is payable on September 1 in the years and amounts set forth on the inside front cover page, by payment to DTC or its nominee as the registered owner of the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds are subject to [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 FACILITIES 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 THE LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL OF THE CITY TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE FACILITIES AGREEMENT FROM ANY LEGALLY AVAILABLE SOURCE. THE CITY'S OBLIGATIONS UNDER THE FACILITIES 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 FACILITIES AGREEMENT AND MAY TERMINATE ITS OBLIGATIONS UNDER THE FACILITIES 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 Issuer by its counsel, Pope Flynn, LLC, Columbia, South Carolina, for the City by its counsel, Clawson and Staubes, LLC, and for the Underwriter by its counsel, Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina. 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 [September 9], 2026, against payment therefor.

RAYMOND JAMES®

This Official Statement is dated:

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*Preliminary, subject to change.

$15,825,000*
CITY OF GOOSE CREEK, SOUTH CAROLINA
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK PROJECTS)
SERIES 2026

$15,825,000* Series 2026 Serial Bonds

Due September 1	Principal Amount*	Interest Rate	Yield	CUSIP†
2027	$635,000			
2028	660,000			
2029	685,000			
2030	720,000			
2031	760,000			
2032	800,000			
2033	840,000			
2034	875,000			
2035	920,000			
2036	975,000			
2037	640,000			
2038	665,000			
2039	705,000			
2040	740,000			
2041	775,000			
2042	815,000			
2043	850,000			
2044	885,000			
2045	920,000			
2046	960,000			

[$[_______]* Series 2026 Term Bonds]

[$________* ____% Term Bond due September 1, 20__, Yield of _____%, CUSIP† ________]

[$________* ____% Term Bond due September 1, 20__, Yield of _____%, CUSIP† ________]

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* 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.

GOOSE CREEK MUNICIPAL FINANCE CORPORATION
519 N. Goose Creek Boulevard
Goose Creek, South Carolina 29445

Board of Directors

Denis Espinoza, President
Libby Roerig, Secretary
Tyler Howanyk, Treasurer

CITY OF GOOSE CREEK, SOUTH CAROLINA
519 N. Goose Creek Boulevard
Goose Creek, South Carolina 29445

City Council

Gregory S. Habib, Mayor

Jerry Tekac	Melissa Enos-Sims
Debra Green-Fletcher	Christopher Harmon
Corey McClary	Gayla McSwain

Administration

Natalie M. Zeigler, City Administrator
K. Brian Cook, Assistant City Administrator
Tyler Howanyk, Finance Director

SPECIAL SERVICES

Bond Counsel, Disclosure Counsel and Counsel to the Issuer

Pope Flynn, LLC
Columbia, South Carolina

Counsel to the City

Clawson and Staubes LLC
Charleston, South Carolina

Underwriter's Counsel

Haynsworth Sinkler Boyd, P.A.
Charleston, South Carolina

Municipal Advisor

First Tryon Advisors, LLC
Charlotte, North Carolina

Underwriter

Raymond James & Associates, Inc.
Charlotte, North Carolina

Trustee, Paying Agent and Registrar

U.S. Bank Trust Company, National Association
Columbia, South Carolina

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OFFICIAL STATEMENT

$15,825,000*
CITY OF GOOSE CREEK, SOUTH CAROLINA
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK 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 Goose Creek Municipal Finance Corporation (the "*Issuer*") of its $15,825,000* aggregate principal amount Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026 (the "*Series 2026 Bonds*"). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth "FORMS OF CERTAIN FINANCING DOCUMENTS" to 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 Goose Creek, 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 Berkeley County, South Carolina (the "*County*"). The City Council of the City of Goose Creek (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 GOOSE CREEK" 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 September 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 August 11, 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 the terms of an Ordinance enacted on [August 11], 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 Facilities 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), (ii) to pay rent ("*Base Lease Rent*") to the City to defray the cost of the Ancillary Project (as defined herein), and (iii) 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 September 9, 2026 (the "*Delivery Date*"). The Series 2026 Bonds mature as to principal on September 1 in the years and amounts set forth on the inside front cover page of this Official Statement. Interest on the Series 2026 Bonds is payable on each March 1 and September 1 of each year, commencing March 1, 2027, until the Series 2026 Bonds are paid in full. The Series 2026 Bonds are subject to [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 a Base Lease Agreement to be dated as of September 1, 2026 (the "*Base Lease*") between the City, as lessor, and the Issuer, as lessee, during the term of the Series 2026 Bonds, the Issuer will lease from the City the 2026 Real Property on which the Facilities are located, so that the Issuer may provide for (i) the design, acquisition, construction, and equipping of the 2026 Project, and (ii) the payment to the City of Base Lease Rent to provide for the design, acquisition, construction, and equipping of the Ancillary Project, which is not subject to the Base Lease or the Facilities Agreement (as defined herein). To the extent the Base Lease Rent is not used for the design, construction, and equipping of the Ancillary Project, the City may use such funds for payment of debt service on the Series 2026 Bonds.

Pursuant to the Municipal Facilities Purchase and Occupancy Agreement, to be dated as of September 1, 2026 (the "*Facilities Agreement*") between the Issuer and the City, the City will agree to purchase the Facilities from the Issuer by making the Base Payments (as such terms are more particularly described herein) which, together with certain other Additional Payments (as such term is more particularly defined herein), comprise the Installment Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein. The Facilities 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 Facilities 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 "APPENDIX C – FORMS OF CERTAIN FINANCING DOCUMENTS" 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 Facilities 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 Facilities 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 under the Trust Agreement, except as to the subaccounts held within the Acquisition Account and the Reserve Account (as each term is defined in the Trust Agreement), 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 Facilities Agreement from one or more of several sources, including (a) general fund moneys, to include *ad valorem* taxes, (b) Local Options Sales Tax (as defined below) revenues, (c) Development Impact Fee (as defined below) revenues, (d) Hospitality Fees (as defined below), (e) Available Impact Fees (as defined below), and (f) 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 Facilities 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. If such general obligation debt is issued, 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 obligation of the City under the Facilities Agreement does not constitute a general obligation of the City to which its faith and credit or taxing power are pledged, but is payable solely from such funds as may be appropriated in the discretion of City Council for such purpose.

The City has indicated in the Facilities 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 Facilities 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 Facilities Agreement and may terminate its obligations under the Facilities 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 Issuer, for the City by its counsel, Clawson and Staubes LLC, Charleston, South Carolina, and for the Underwriter by its counsel, Haynsworth Sinkler Boyd, P.A., Charleston, 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 December 31, 2025, and for the year then ended, attached hereto as Appendix B, have been audited by Love Bailey, LLC, Laurens, South Carolina, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix B hereto. See "FINANCIAL STATEMENTS" herein.

Offering and Delivery

The Series 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 September 9, 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 Facilities 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, (ii) to pay Base Lease Rent to the City to defray the cost of the Ancillary Project, and (iii) to pay costs related to the issuance of the Series 2026 Bonds.

Financing of 2026 Project

The 2026 Project encompasses the construction and equipping of the Fire Facility (as defined below) and the Parking Facilities (collectively, the "*2026 Project*"). The Fire Facility and the Parking Facilities will be constructed on the 2026 Real Property. The estimated total cost of the 2026 Project is approximately $12.2 million, of which approximately $5.1 million will be funded from the proceeds of the Series 2026 Bonds.

Financing of the Ancillary Project

The Public Safety Facility (the "*Ancillary Project*") is estimated to cost approximately $13.5 million. The Ancillary Project is expected to be funded with approximately $11.0 million of proceeds of the Series 2026 Bonds, which will be paid in the form of Base Lease Rent payable from the Issuer to the City under the Base Lease.

Description of the Facilities

"*Facilities,*" as such term is used herein, includes the Fire Facility and the Parking Facilities. The Ancillary Project is not included as 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 Facilities Agreement.

Fire Facility. The 2026 Project involves of the construction of Fire Station IV (the "*Fire Facility*"), which will serve as a key component of the City's fire protection infrastructure. The total estimated cost of the Fire Facility is $8,331,000. The City has funded a portion of the project using General Fund reserves, including approximately $2,500,000 derived from a State appropriation and an additional approximately $166,000 of City funds. The City also intends to apply approximately $3,665,000 from Available Impact Fees and to finance the remaining approximately $2,000,000 with proceeds of the Series 2026 Bonds. The Fire Facility is being developed to address increasing service demands, including an approximate 15% increase in emergency calls in recent years. Fire Station IV is strategically located to improve coverage in the northern portion of the City and is expected to enable emergency response times of under three minutes in many areas, thereby enhancing public safety outcomes. The Fire Facility will include a modern station equipped with two apparatus bays to accommodate fire response vehicles, along with supporting space necessary for personnel and operations. The Fire Facility will be pledged as collateral under the Trust Estate securing the Series 2026 Bonds.

Parking Facilities. The City intends to construct certain municipal parking facilities (the "*Parking Facilities*"). The Parking Facilities component includes (i) improvements to existing and overflow parking areas, and (ii) reconstruction and expansion of parking to serve the City's golf and pool amenities. With respect to the existing and overflow parking improvements, the total estimated project cost is approximately $3,891,000. The City is funding a portion of these costs from the proceeds of previously completed land sales in the amount of $829,000, and approximately $3,062,000 from proceeds of the Series 2026 Bonds. The golf and pool parking improvements include the removal of the existing parking lot (including islands and curbing), full repaving, and installation of irrigation, landscaping, and lighting improvements. The Parking Facilities project also provides for the expansion of the parking area near the pool to increase capacity, as well as the construction of a standalone restroom facility with an integrated janitor closet to support users of the adjacent recreational amenities. These improvements are intended to enhance access, safety, and capacity at key municipal recreation areas. The Parking Facilities will be pledged as collateral under the Trust Estate securing the Series 2026 Bonds.

Description of the Ancillary Project

Public Safety Facility. The City also plans to develop a new joint public safety training facility (the "*Public Safety Facility*" and also referred to as the Ancillary Project herein) to be utilized by the City's police and fire departments. The project is intended to enhance coordination, operational readiness, and training capacity for public safety personnel. The Public Safety Facility will be constructed in multiple phases, with the City planning to initiate

Phase 1 and Phase 2. These initial phases are expected to include the development of core training infrastructure and supporting site improvements necessary to establish the facility and accommodate joint police and fire training activities. The Public Safety Facility is designed to provide dedicated space for training exercises, skills development, and interdepartmental coordination, and is anticipated to support both current operations and future growth in public safety services. Total project cost of Phases 1 and 2 of the Public Safety Facility is estimated to be approximately $13,530,000. The City will apply state appropriations of $2,500,000 toward the project and the balance will be funded with the proceeds of the Series 2026 Bond. The Public Safety Facility does not constitute Facilities and is not pledged as part of the Trust Estate for the Series 2026 Bonds.

The current expectation is for the Ancillary Project to be as described in this Official Statement; however, due to changed circumstances, the Ancillary Project may include such other capital projects of the City as determined by the City. To the extent the Base Lease Rent is not used for the design, acquisition, construction and equipping of the Ancillary Project, the City may use such funds for payment of debt service on the Series 2026 Bonds.

Construction Process for the 2026 Project and the Ancillary Project

Pursuant to the Facilities Agreement, the City will be responsible, on behalf of the Issuer, for contracting for the design, construction, acquisition and equipping of the 2026 Project. The City will undertake the design, construction, acquisition and equipping of the Ancillary Project. The Fire Facility is under construction using a construction manager at risk procurement process and approximately 60% complete. The contract for the Parking Facility has been completed and construction will commence soon. The Public Safety Facility is expected to be bid out in December 2026.

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	$
City Contribution at Closing	
[Net Original Issue Premium]	
Total Sources:	$
Estimated Uses of Funds:	
Costs of 2026 Project	
Payment of Base Lease Rent to Fund Ancillary Project	
Costs of Issuance[1]	
Total Uses:	$

[1] Includes various professional fees, underwriter's discount, and miscellaneous costs.

THE ISSUER

The Issuer is a South Carolina nonprofit, public benefit corporation incorporated on February 18, 2014. The Issuer is governed by the Board of Directors. The officers of the Issuer are Denis Espinoza, President, Libby Roerig, Secretary; and Tyler Howanyk, Treasurer. Mr. Howanyk serves *ex officio* as the Chief Financial Officer of the City. 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 Facilities 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 acquire, own and lease facilities to be used for governmental functions in connection with the financing of facilities to assist the City. The Articles of Incorporation and Bylaws of the Issuer provide that the Issuer has been organized exclusively for public and charitable purposes.

The Issuer previously issued the 2014 IPRB, which was redeemed in full by the 2020 IPRB (as such terms are defined in Appendix A, particularly "DEBT STRUCTURE – Other City Debt and Obligations" therein). The 2020 IPRB is secured by a pledge of a trust estate that is separate and district from the Trust Estate (as described in "INTRODUCTION – Security and Sources of Payment" herein). Other than (i) its leasehold interest in the property securing the 2020 IPRB, (ii) its fee interest in the facilities securing the 2020 IPRB, (iii) its leasehold interest in the 2026 Real Property, and (iv) its fee interest in the Facilities, the Issuer does not now have, nor will it have in the future, other assets.

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 the City.

The Board of Directors of the Issuer approved the issuance of the Series 2026 Bonds and entry into the Base Lease, Facilities 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 December 31, 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 December 31 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 March 1, 2027, and semiannually thereafter on September 1 and March 1 of each year (each a "*Bond Payment Date*") and principal on the Series 2026 Bonds shall be payable on September 1 in the years and amounts set forth on the inside front cover page of this Official Statement, unless earlier redeemed (see "– Redemption" below). Interest on the Series 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, 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 September 1, 20[__], are subject to redemption in whole or in part on or after September 1, 20[__], at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date of redemption.

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

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.

[*Remainder of Page Intentionally Blank*]

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			
Totals			

* Preliminary, subject to change.

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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 Facilities 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, revenues from local option sales taxes, impact fee monies, revenues from hospitality fees, general fund monies, or Additional Bonds.

As more fully set forth in the Facilities Agreement, the term "*Installment Payments*" includes Base Payments and Additional Payments. The term "*Base Payments*" means the amounts payable by the City under the Facilities 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 Facilities Agreement. The City represents in the Facilities 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 Facilities Agreement, and reasonably believes that it will pay the Installment Payments due or coming due under the Facilities Agreement in order to continue to use the Facilities.

The City has indicated in the Facilities 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 "– Facilities Agreement" and "INVESTMENT CONSIDERATIONS" herein and "FORMS OF CERTAIN FINANCING DOCUMENTS – The Facilities Agreement" in Appendix C hereto. The representations and covenants contained in the Facilities Agreement are subject to the right of the City to terminate the Facilities 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 property tax reform that became effective in 2006. 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 2025 assessed value of all taxable property within the City, the City's present debt limit is $23,122,052. The City presently has no general obligation debt outstanding.

The issuance by the City of general obligation debt to provide funds to pay Installment Payments under the Facilities 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 Facilities 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 enact a new, identical ordinance. The new ordinance would itself be subject to Section 5-17-20.

Local Hospitality Fees

Pursuant to Title 6, Chapter 1, Article 7 of the South Carolina Code and Ordinance No. 17-015 dated June 13, 2017 (the "*Hospitality Ordinance*"), the City imposes a 2% tax on charges for prepared food and beverages at establishments within the City (the "*Hospitality Fees*"), which amount is the maximum permitted under State law. The Hospitality Fees are collected from customers at the point of sale and held in trust by the establishment for remittance to the City. Establishments are required to remit collected fees to the City's Finance Director on a monthly, quarterly, or annual basis depending on the volume of collections, with payments generally due by the 20th day following the applicable reporting period. Late payments are subject to a 5% monthly penalty, and failure to remit may result in enforcement actions, including fines or revocation of a business license.

While the Hospitality Fees are not pledged to secure the Series 2026 Bonds, the Hospitality Fees are pledged as security for the Special Obligation Bonds. See "DEBT STRUCTURE – Other City Debt and Obligations" in Appendix A hereto. Any Hospitality Fees applied toward Installment Payments shall only be available after payments are made for the Special Obligation Bonds. See "CERTAIN FISCAL MATTERS – City Revenue Sources – *Local Hospitality Fees*" in Appendix A for five year collection history of Hospitality Fees. Expenditure of Hospitality Fees is limited to tourism-related expenditures as described in Section 6-1-730 of the South Carolina Code. No portion of the Hospitality Fees may be used to make Installment Payments attributable to any of the Facilities except for the Parking Facilities.

Local Option Sales Tax

Since May 1, 1997, the County imposes 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.

Development Impact Fees

The City has adopted certain development impact fees ("*Impact Fees*") pursuant to the South Carolina Development Impact Fee Act of the South Carolina Code (the "*Impact Fee Act*") and that certain Ordinance No. 2023-18 entitled "Development Impact Fee Ordinance for the City of Goose Creek, South Carolina" dated July 11, 2023 (the "*Impact Fee Ordinance*"). Impact Fees are imposed on new development to fund, in whole or in part, the capital costs of public facilities necessitated by such development, and are subject to the limitations and requirements of the Impact Fee Act, including restrictions on the types of facilities that may be funded, the timing of expenditures, and refund obligations under certain circumstances. Under the Impact Fee Ordinance, the City imposes Impact Fees for general government, police, fire protection, public works, and parks and recreation facilities and equipment. The City has initiated steps to amend the Impact Fee Ordinance, but the amendments will not be complete prior to the issuance of the Series 2026 Bonds. As part of the planned amendments, the City expects that the scope and timing of the projects associated with the Impact Fee will be adjusted and the Impact Fees will be subject to an annual inflation adjustment.

The City anticipates using a portion of legally available development Impact Fee for to pay for portions of the 2026 Project and potentially fund Installment Payments to the extent permitted by the Impact Fee Act and the Impact Fee Ordinance. In particular, the City anticipates that the Fire Protection Impact Fee, and the Municipal Facilities and Equipment Impact Fee may be applied to pay Installment Payments (the "*Available Impact Fees*"). Under the Impact Fee Ordinance, (i) "Fire Protection Impact Fees" are defined as "[a] payment of money imposed as a condition of approval to pay a proportionate share of the cost for improvements to the fire protection system identified to serve new development", and (ii) "Municipal Facilities and Equipment Impact Fees" are defined as "[a] payment of money imposed as a condition of approval to pay a proportionate share of the cost for improvements to the municipal facilities and equipment system identified to serve new development: police, fire, and government services associated with managing growth (i.e., planning and development, public services, and the administrative offices), and parks and recreation."

The applicable Available Impact Fees are determined at the time of application for a building permit (or at the time of development approval if no building permit is required). The fees must be paid in full prior to the issuance of the building permit or development approval, unless alternative arrangements (such as approved credits or guarantees for certain qualifying developments) are made. The City will not issue a building permit, and may withhold a certificate of occupancy, until all required Impact Fees are satisfied.

The City's Finance Department calculates the applicable fees based on the type, size, and intensity of the proposed development, using standardized rates derived from the City's Impact Fee Study and Capital Improvements Plan, the terms of which are incorporated into the Impact Fee Ordinance. For residential development, Impact Fees are typically assessed per dwelling unit, while non-residential development is generally assessed based on square footage or other measures of development intensity. In cases involving mixed-use or redevelopment, fees are calculated based on the net increase in demand compared to the prior use. All collected fees are deposited into designated impact fee trust funds and may only be used for eligible capital improvements, which, with respect to the Available Impact Fees, includes the Fire Facility and Parking Facilities.

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.

Facilities Agreement

Pursuant to the Facilities 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 Facilities Agreement" in Appendix C hereto.

The financial obligations of the City under the Facilities 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 Facilities Agreement. The City's obligations under the Facilities 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 Facilities Agreement and may terminate its obligations under the Facilities Agreement on an annual basis without penalty.

Event of Nonappropriation

The City may exercise its option to terminate its obligations under the Facilities Agreement by way of an Event of Nonappropriation (as defined below); however, pursuant to the Facilities 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 Facilities 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 Facilities 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 January 15 following the commencement of a Fiscal Year in which a budget has been adopted which fails to appropriate amounts due under the Facilities 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 December 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 Facilities 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 Facilities 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 Facilities Agreement and the provisions of the following two paragraphs, the Facilities Agreement will be terminated upon the occurrence of an Event of Nonappropriation.

Subject to the Events of Default provisions of the Facilities 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 Facilities 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 Facilities 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 Facilities Agreement and shall not be obligated to make payment of any future Installment Payments due under the Facilities 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 Facilities 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 Facilities Agreement.

Conveyance of Property Interest

Under the terms of the Facilities 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, will transfer from the Issuer to the City. Under the terms of the Facilities 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 Facilities 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 Facilities Agreement, 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 shall, at the expense of the City, appoint a Partition Consultant selected by the City and the Issuer to propose a division of the Facilities within a reasonable time after the Partition Date. The Partition Consultant 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 Facilities 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 at completion of the 2026 Project are as follows:

Facilities Component	Value
Fire Facility	$ 8,331,000
Parking Facilities	3,891,000
Total	$ 12,222,000

The Facilities 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 Facilities Agreement" in Appendix C hereto.

Events of Default

The following constitute "*Events of Default*" under the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement), the City shall be unable in whole or in part to carry out any obligation under the Facilities 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 Facilities 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 (September 1, 2051), 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 – Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement annually without any penalty.

Each Base Payment made by the City under the Facilities 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 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 to 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. Additionally, several of the Available Sources are limited by State law as to the purposes for which they can be used. As a result, certain components of the 2026 Project may not qualify for funding from some of the Available Sources contemplated to make Installment Payments.

Impact Fees

The availability and amount of Impact Fees are dependent upon the level and timing of new development within the City, as well as continued compliance with the Impact Fee Act and the Impact Fee Ordinance. Impact Fee revenues are restricted in use and must be expended in accordance with the applicable capital improvements plan and statutory requirements. Impact Fee revenues are inherently variable and dependent on future development activity, which may be affected by economic conditions, market demand, regulatory changes, and other factors beyond the City's control. In addition, the imposition, calculation, and collection of Impact Fees may be subject to legal challenge, including claims that such fees or expenditures thereof do not comply with the requirements of the Impact Fee Act, the Impact Fee Ordinance or other applicable law. Any successful challenge could result in the reduction, suspension, or invalidation of such fees, or require the City to refund previously collected amounts, which could materially reduce the availability of such revenues for the payment of installment obligations. No assurance can be given that Impact Fee revenues will be available in amounts sufficient to pay all or any portion of the Installment Payments when due.

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

From time to time, and including this most recent legislative session ending in May 2026, the General Assembly of the State of South Carolina has considered 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. Following the 2006 amendments, school districts in South Carolina discontinued the use of installment purchase financings for new projects. Future amendments to the definition of Financing Agreements could impact the ability of the City to enter into installment purchase financings.

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.

Timely Construction

The timely completion of the 2026 Project and the Ancillary Project is dependent upon, among other factors, promptly obtaining approvals and permits from various governmental agencies and the absence of delays due to strikes, shortages of labor and materials, and adverse weather conditions. The cost of the 2026 Project and Ancillary Project may be affected by factors beyond the control of the City or the Issuer, including strikes, energy, labor, and material shortages, contractor and subcontractor defaults, bidder protests, disputes with contractors, adverse weather conditions, and other unforeseen contingencies. There can be no assurance that the Issuer and the

City will complete the 2026 Project and Ancillary Project in accordance with their present construction schedule and construction budget.

Limited Collateral

The Series 2026 Bonds are being issued to finance the Facilities and to pay Base Lease Rent to defray the cost of the Ancillary Project. The Trust Estate is limited to the Issuer's interest in the 2026 Real Property and the Facilities, and not the Ancillary Project. Investors should be aware that no lien or security interest is granted in, or otherwise derived from, the Public Safety Facility comprising the Ancillary Project. Accordingly, the collateral securing the Series 2026 Bonds pertains exclusively to the Issuers' interest in the Facilities, which only encompasses the Fire Facility and the Parking Facilities. The estimated value of the Fire Facility and the Parking Facilities is less than the aggregate principal amount of the Series 2026 Bonds. In the event of a default, the value to be realized from the Trust Estate may be insufficient to fully satisfy the outstanding principal of and interest on the Series 2026 Bonds, and Bondholders may incur losses.

No Mortgage, Limited Ability to Lease Facilities

The Issuer has not mortgaged the 2026 Real Property or the Facilities. If the Facilities 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 (September 1, 2051) 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 – Facilities Agreement." Neither the Issuer not the City can make 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 Issuer and the City 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 Facilities 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 Facilities 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 Facilities 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, particularly given the City's proximity to the South Carolina coast. Coastal communities are subject to unique risks associated with sea level rise, storm surge, coastal flooding, and more intense tropical storm and hurricane activity. While projections generally indicate rising average temperatures, forecasts regarding precipitation patterns, storm frequency, and long-term sea level impacts remain uncertain.

Potential impacts to the City may include increased frequency and severity of flooding events, saltwater intrusion, damage to infrastructure, and disruptions to transportation and utility systems, as well as heightened demand for emergency services. Major storm events, even if not resulting in a direct strike, may cause regional economic disruption, population displacement, and strain on public resources. Such conditions could adversely affect the City's infrastructure, operations, and service demands, increase both operating and capital costs, and impact economic activity within the City. The timing, magnitude, and financial consequences of these climate-related risks cannot be reliably predicted. Accordingly, climate change and associated coastal risks could have a material 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 11 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 Facilities 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

The City's operations depend heavily on computer networks, information technology systems, and the electronic transmission, storage, and collection of data. Although the City has implemented cybersecurity measures designed to protect these systems, no security program can eliminate all risks. The City's information technology infrastructure may be vulnerable to cyberattacks, including attacks by sophisticated threat actors or foreign state-sponsored entities, as well as to employee error, malfeasance, system failures, or other disruptions. A successful cyber incident could impair the City's operations, compromise the confidentiality, integrity, or availability of its systems and data, result in the unauthorized access to, disclosure, loss, theft, or corruption of information, or otherwise adversely affect the City's operations and finances. For a discussion of the City's existing cybersecurity practices, 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, 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 Series 2026 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 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.

The City was notified by the County that it would stop collecting fees for its Special Fire Tax District in incorporated areas on tax bills beginning in fall of 2024. Rural fire departments have stopped servicing properties in annexed areas, but claim that their alleged service area cannot be reduced because the rural fire departments have loans to the Department of Agriculture's Rural Development Authority (RDA). The rural fire departments have threatened to sue the City under 7 U.S.C § 1926(b) for lost revenue as a result of alleged annexations, even though the rural fire departments are no longer servicing those properties. The City intends to vigorously fight any litigation filed by the rural fire departments against the City, but is actively working on a settlement compromise with the County that must be endorsed and approved by the rural fire departments to be effective.

Other Legal Matters

From time to time, one or both of Pope Flynn, LLC and Haynsworth Sinkler Boyd, P.A. 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 the 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 seven months after the end of each of the City's Fiscal Years, commencing with the report for 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 the Assessment Bonds (as defined and described in Appendix A – "DEBT STRUCTURE – Other City Obligations and Debt").

The City has also covenanted in the Facilities 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*") has assigned an underlying rating of "Aa3" to the Series 2026 Bonds. Such ratings reflect only the view of Moody's 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 with certain information and materials respecting the Issuer, the City and the Series 2026 Bonds. Generally, Moody's bases its 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, when given, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any and all such rating agencies if, in the judgment of any and all, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 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 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 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 Love Bailey, LLC, Laurens, South Carolina, independent certified public accountants, whose independent auditor's report dated June 17, 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 Facilities Agreement, the Base Lease, and all summaries and references to other documents, instruments and materials not purported to be quoted in full are only brief outlines of certain provisions thereof and are not intended to be and do not constitute complete statements of the Act or such documents or provisions. Reference is made hereby to the complete documents relating to such matters for the complete terms and provisions thereof, or for the information contained therein. The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all foregoing statements.

Certain of the information set forth in this Official Statement and in the appendices hereto has been obtained from sources other than the Issuer or the 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 GOOSE CREEK, SOUTH CAROLINA

By: ____
Mayor

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

By: ____
President

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APPENDIX A

DESCRIPTION OF THE CITY OF GOOSE CREEK

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APPENDIX A

DESCRIPTION OF THE CITY OF GOOSE CREEK

General Description

The City is located in the southeastern portion of Berkeley County, South Carolina (the "*County*"), approximately 15 miles northwest of the City of Charleston, South Carolina. The City was incorporated in 1961 and has experienced significant growth in the past ten years, becoming the State's 8th largest municipality, with an estimated population of 50,352 in 2024.

The County was originally established in 1682 and is one of the largest counties in South Carolina. Containing 1,229 square miles of land and water, the land area is approximately 1,100 square miles. A substantial portion of the County is owned by the State of South Carolina and federal governments as part of Lake Moultrie and Lake Marion and the Francis Marion National Forest. The County's population has grown significantly in recent years, with the County experienced population growth of 29% between 2010 and 2020.

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:

	City		County	
Year	Population	Percentage Change from Prior Census	Population	Percent Change from Prior Census
2000	29,208	--	142,651	--
2010	35,938	23.0%	177,843	24.7%
2020	45,946	27.8	229,861	29.2
2025*	52,010	13.2	274,666	19.5

* Population estimate as of July 1, 2025.
Source: U.S. Census Bureau; U.S. Bureau of Economic Analysis.

Form of Government

The City operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in a governing council ("*City Council*") consisting of the Mayor and six other members, all elected on a nonpartisan basis. The Mayor and Council are elected at large, each for four-year staggered terms. The Mayor and City Council appoint the City Administrator who administers all departments of the City. All department heads are appointed by the City Administrator with the approval of the Mayor and City Council. The City operates on a January 1 to December 31 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 December 31 of the year stated).

The City Administrator administers the daily operations of the City and 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
Gregory Habib, Mayor	Businessman	January 2028
Jerry Tekac	Banking	January 2028
Debra Green-Fletcher	Real Estate	January 2028
Christopher Harmon	Nursing	January 2028
Corey McClary	County Economic Development	January 2030
Gayla McSwain	Retired; Lawyer	January 2030
Melissa Enos-Sims	Business Owner	January 2030

Mayor. The Mayor is Gregory Habib, who was elected for a term that commenced on November 2022 and will expire in January 2028. Mayor Habib is immediate Past President of the Board of Directors of the Municipal Association of South Carolina. Mayor Habib is the Vice President for Industrial Relations and General Manager for Charleston Steel and Metal Co, the largest privately held scrap metal processor in South Carolina, where he has worked since 2004. His leadership there includes executing all aspects of operations and logistics, plus sales, purchasing and strategic development. Prior to that, he spent 10 years at Trident Technical College, and five as the Director of Career Services, where he guided students to meet the needs of local employers. Mayor Habib holds a Bachelor of Arts degree in Political Science and a Master of Education degree in Higher Education from the University of South Carolina.

City Administrator. The City Administrator is Natalie Zeigler, who has served in that position since 2020. Ms. Zeigler previously served as City Manager for the City of Hartsville, South Carolina from 2010 to 2020. Ms. Zeigler received a Bachelor of Arts degree from Southern Methodist University and a Master of Public Administration degree from the University of South Carolina.

Chief Financial Officer. The Chief Financial Officer of the City is Tyler Howanyk, who has served in that position since 2020, and was previously the Finance Director of the City since 2017. Mr. Howanyk previously worked for various accounting firms in public accounting as an auditor. Mr. Howanyk graduated with a Bachelor of Arts degree in History and a Bachelor of Science degree in Accountancy from the College of Charleston. Mr. Howanyk obtained his Certified Public Accounting (CPA) License from the State of South Carolina in 2013.

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 Water System (as defined below), recreation services and golf course. 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, 418.25 full-time equivalent positions consisting of the following:

Function	Full Time Equivalent
General Government	54.00
Public Safety	213.00
Highways and Streets	15.00
Sanitation	27.00
Culture and Recreation	89.25
Water System	20.00
Total	418.25

A brief description of each of the City’s services is provided 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. Culture and recreation services include a broad range of recreational and leisure activities provided to residents of the City, including athletics, community programs, gymnastics, therapeutic recreation programs, camps, instructional classes, and operation and maintenance of the municipal golf course.

Water System. The Water System provides a continuous supply of potable water to customers within the City of Goose Creek water service area. Duties and responsibilities include the repair and maintenance of water distribution infrastructure, meter reading, installation of new taps, maintenance of valves and hydrants, and monitoring and ensuring water quality standards.

Enterprise Funds

Outside of general fund services, the City administers several independent business activities. This independent business, including recreation services, and water services, each of which is managed as an enterprise fund.

Recreation System. In May 2008, the City entered a 20-year agreement in 2008 with the Goose Creek Recreation Commission to take over operation of the Recreation District and provide services to all residents in and around the City. The contract automatically renews for additional 20-year terms unless either party gives at least 24 months’ notice to terminate. In return, the City receives funding based on its millage rate applied to taxable property within the District. The transition was completed in January 2009, and the Recreation Department is accounted for as an enterprise fund of the City. In addition to its acquisition of the Recreation District, the City also owns and operates the Crowfield Golf Club. Crowfield Golf Club is an 18-hole public course in the City. Built on historic Crowfield Plantation land dating back to 1701, the course incorporates visible plantation ruins and offers five tee options. The course opened in 1990, and was acquired by the City in 2003.

Water System. The City owns and operates a municipal water utility system that provides potable water service to residential, commercial, and industrial customers within the City and certain surrounding areas (the “*Water System*”). The Water System is a retail distribution system and does not include raw water supply or treatment facilities. The City is a member of the Lake Moultrie Regional Water Agency (the “*Agency*”), a joint regional water system owned and operated by the South Carolina Public Service Authority (Santee Cooper). The Agency began commercial operations in October 1994, and at that time, the City entered a 35-year, automatically renewable contract with the Agency for water supply. The City owns 18% of the system’s capacity and commits to purchasing 5.96 million gallons per day, with rates set annually based on cost-of-service principles. Annual adjustments reconcile projected versus actual costs. The City may buy or sell excess capacity as needed. This arrangement allows the City to focus on distribution and customer service while relying on regional capacity for treatment and source water reliability from the Agency, as administered by Santee Cooper. The City’s system consists of a network of water mains, service lines, valves, and hydrants, supported by elevated and ground storage tanks and pumping facilities to maintain adequate pressure and fire flow throughout the service area. The system is designed to meet both daily demand and peak usage, including fire protection requirements. The Water System provides water services to approximately 13,000 customers, including approximately 1,200 out-of-City customers.

Utility Services Provided by Other Governmental Entities

Other water service in the County is provided by the County (acting through Berkeley County Water and Sewer department) ("*BCWS*"), Town of Moncks Corner ("*Moncks Corner*"), Charleston Water System ("*CWS*") and the Town of Jamestown. CWS provides water service to a portion of the City under the terms of a 20-year retail service area agreement that expires in 2034. Under such agreement, CWS pays the City certain contractual payments derived from within CWS's retail service area in the City in exchange for the grant of franchise rights to provide retail water service in certain areas of the City. In Fiscal Year 2025, CWS paid the City $268,244 under the agreement.

BCWS is the largest sewer provider in the County, and operates seven separate sewer service areas. The Lower Berkeley System is the largest public sewer system in the County, supplying most of the southern portion of the County, including the City. In addition to the County, sewer service in the County is also provided by Moncks Corner (within its incorporated limits) and CWS (in and around Daniel Island).

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; Hospitality Fees; charges for services; contributions; grants; interest; and miscellaneous sources.

Ad Valorem Taxes. A significant source of City operating revenues come 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):

Fiscal Year	Amount
2021	$4,947,518
2022	7,173,417
2023*	6,399,312
2024	8,773,340
2025*	8,104,286

* The decrease in ad valorem tax revenues in Fiscal Year 2023 and 2025 was not attributable to a reduction in assessed value or tax collections. Rather, the decrease resulted primarily from an increase in the Local Option Sales Tax credit factor, which allowed a larger portion of Local Option Sales Tax revenues to be applied as a credit against property taxes. Consequently, the City received lower ad valorem tax revenues while receiving correspondingly higher Local Option Sales Tax credit revenues. See "PROPERTY ASSESSMENT AND TAXATION - Sales Tax Referenda" and "Local Option Sales Tax" herein.

Revenues from Licenses and Permits. These revenues are derived from fees and services for business licenses, franchise fees, building permits, telecommunications licenses, as well as brokers and insurance premium licenses and taxes. 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	$12,370,960
2022	14,942,100
2023	15,618,133
2024	18,497,929
2025	19,873,092

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*" or "*LOST*"). The following table sets forth the amounts of Local Option Sales Tax revenues (municipal portion, credit portion and total) received by the City during the Fiscal Years 2021 through 2025.

Fiscal Year	Municipal Portion*	Credit Portion**	Total Local Option Sales Tax
2021	$1,993,052	$3,645,752	$6,027,675
2022	2,238,843	3,422,867	5,372,987
2023	2,367,392	5,236,346	7,624,919
2024	2,543,345	5,115,394	7,658,739
2025	2,699,948	8,132,991	10,832,939

* Amount available to general fund.

** Amount applied as credit against ad valorem tax millage levy.

Note: Local Option Sales Tax revenues are distributed to the City in two components: (i) the municipal portion, which is available for general governmental operations and is recorded as revenue in the General Fund, and (ii) the credit portion, which is used to reduce the City's ad valorem tax levy pursuant to State law. The credit portion may include adjustments related to prior-year Local Option Sales Tax distributions, recalculations of the tax credit factor, and deferred inflow reconciliations. As a result, the municipal portion and credit portion presented for a given Fiscal Year may not sum precisely to the total Local Option Sales Tax revenues reported by the City for that fiscal year. Such differences are attributable to timing, reconciliation, and accounting adjustments and do not represent a loss of Local Option Sales Tax revenues.

The amount of Local Option Sales Tax revenues applied as a credit against ad valorem taxes is determined annually through the calculation of a LOST credit factor. Changes in the LOST credit factor affect the allocation of Local Option Sales Tax revenues between the municipal revenue portion and the property tax credit portion. An increase in the credit factor results in a greater amount of LOST revenues being applied as a credit against property taxes and correspondingly reduces ad valorem tax revenues collected by the City.

The City's LOST credit factors for the years shown were as follows:

Fiscal Year	LOST Credit Factor	Millage Equivalent
2021	.001050	1.050 mills
2022	.000920	0.920 mills
2023	.001280	1.280 mills
2024	.001180	1.180 mills
2025	.001606	1.606 mills

As a result of changes in the LOST credit factor, year-to-year fluctuations in ad valorem tax revenues and the property tax credit portion of LOST revenues may not necessarily reflect changes in the City's underlying tax base or collection performance.

Local Hospitality Fee. A two percent local hospitality fee (the "*Hospitality Fees*") is imposed within the City limits on the gross proceeds derived from the sales of prepared meals, food and beverages sold in or by establishments or those licensed for on-premises consumption of alcoholic beverages, beer or wine. The Local Hospitality Fee is paid directly to the City by the fee payer within 20 days after the end of each month.

The following table sets forth the amounts of Hospitality Fees collected during the Fiscal Years 2021 through 2025:

Fiscal Year	Hospitality Fees
2021	$ 2,573,453
2022	2,883,193
2023	3,037,774
2024	2,892,571
2025	3,157,384

Impact Fees. The following table sets forth the amount of the City's Development Impact Fees for General Government Facilities and Equipment Impact Fees and Park and Recreation Facilities and Equipment, each of which are available to make Installment Payments, for the last five Fiscal Years, plus those budgeted for Fiscal Year 2026.

Fiscal Year	General Government	Parks and Recreation	Total
2021	$ 515,361	$ 122,163	$ 637,524
2022	1,078,295	275,057	1,353,352
2023	1,229,919	283,238	1,513,157
2024	1,010,962	334,622	1,345,584
2025	929,179	454,515	1,383,694
2026*	633,292	240,100	873,392

* Fiscal Year 2026 budgeted impact fee revenues reflect conservative budgeting assumptions and generally exclude revenues that may be generated from certain large commercial projects, apartment developments, and other significant development activity that had not commenced or been finalized at the time the budget was adopted.

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Summary of General Fund

The following table sets forth a summary of the City's general fund 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. 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 Love Bailey, LLC Laurens, South Carolina, as stated in their report included as part of Appendix B.

	Fiscal Year				
	2021	2022	2023	2024	2025
Revenues					
Local Revenues:					
Property Taxes	$ 4,932,632	$ 7,173,417	$ 6,399,312	$ 8,773,340	$ 8,104,286
Licenses, permits and franchise taxes	12,370,960	14,942,100	15,618,133	18,497,929	19,873,092
Charge for services	3,471,158	3,771,978	4,323,695	5,299,118	5,201,325
Fines and forfeitures	320,868	465,480	622,037	1,262,172	546,969
Miscellaneous	407,864	1,996,951	1,672,914	3,120,528	3,450,589
State Revenues:	2,516,883	3,965,643	2,301,997	3,405,220	2,030,246
Local option sales tax - municipal revenue	3,645,752	2,238,843	2,367,392	2,543,345	2,699,948
Local option sales tax – rebatable	1,993,052	3,422,867	5,236,346	5,115,394	8,132,991
Federal Revenues:	445,777	380,669	793,778	31,820	29,997
Total Revenues	$30,104,946	$38,357,948	$39,335,604	$48,048,866	$50,069,443
Expenditures					
Current:					
Legislative	359,893	384,318	485,044	437,356	452,729
Human Resources	215,308	228,403	331,607	448,336	639,281
Administrative	2,040,135	2,257,127	2,855,331	2,824,973	2,744,945
Police	8,118,678	9,842,676	11,635,364	14,114,918	15,314,329
Fire	6,880,001	7,284,415	7,526,706	8,935,606	10,313,214
Sanitation	1,693,319	1,994,759	1,951,639	1,999,011	2,040,596
Maintenance	961,244	1,194,473	1,323,236	1,611,973	2,089,161
Garage	453,659	560,023	606,183	648,151	758,944
Court	438,792	442,982	596,688	690,279	747,823
Planning	310,468	655,681	1,077,109	1,393,020	1,633,614
Economic Development	277,092	221,134	183,060	185,902	282,107
Information Technology	853,243	862,207	1,000,399	1,713,310	1,673,804
Capital Outlay	737,550	2,084,552	3,177,641	7,081,522	9,488,343
Debt Service:					
Principal Retirement	622,011	-	-	-	-
Interest	21,334	-	-	-	-
Total Expenditures	$23,982,727	$28,012,750	$32,750,007	$42,084,357	$48,178,890
Excess (Deficiency) of Revenues over Expenditures	6,122,219	10,345,198	6,585,597	5,964,509	1,890,553
Other Financing Sources (Uses)					
Transfers In	$ 60,000	$ 180,000	$ 560,000	$12,186,461	780,000
Transfers Out	(2,742,409)	(4,864,167)	(3,704,201)	(3,927,718)	(4,100,686)
Insurance Proceeds	63,786	190,042	166,992	120,303	41,529
Proceeds from sale of Capital Assets	104,310	3,582	175,975	59,506	73,602
Capital Lease Proceeds	925,000	-	-	-	-
Total Other Financing Sources (Uses)	(1,589,313)	(4,490,543)	(2,801,234)	8,438,552	(3,205,555)
Net Change in Fund Balances	4,532,906	5,854,655	3,784,363	14,403,061	(1,315,002)
Fund Balances, Beginning of Year	10,180,246	14,713,152	20,567,807	24,352,170	38,755,231
Prior Period Adjustment					
Fund Balances, End of Year	$14,713,152	$20,567,807	$24,352,170	$38,755,231	$37,440,229

Source: Financial Statements of the City for Fiscal Years 2021 through 2025.

Note: Local Option Sales Tax revenues are included within State Revenues in the City's audited financial statements and have been separately presented above for illustrative purposes.

Note: Transfers In historically consist primarily of reimbursements and allocations from the City's enterprise funds for administrative and overhead costs incurred by the General Fund. Transfers In for Fiscal Year 2024 also included $10.0 million of one-time American Rescue Plan Act revenue replacement funds transferred to the General Fund.

Management's Discussion and Analysis

General. The City's financial condition has strengthened substantially over the last five Fiscal Years. Continued population growth, commercial development, expansion of the tax base, and growth in local revenues have enabled the City to enhance municipal services, expand public safety operations, invest in capital infrastructure, and maintain strong financial reserves. The City believes that these necessary public safety and governmental infrastructure investments will support and accommodate continued growth and enhance the overall quality of life for residents and businesses within the community.

The City's financial performance during this period has also been affected by changes in the allocation of LOST revenues between the municipal revenue portion and the property tax credit portion. Accordingly, certain year-to-year fluctuations in ad valorem tax revenues and LOST revenues reflect changes in the LOST credit factor rather than changes in the underlying tax base or collection performance. See "Local Option Sales Tax" herein.

Historic Financial Performance. The General Fund experienced an increase in total revenues from approximately $30.1 million in Fiscal Year 2021 to approximately $50.1 million in Fiscal Year 2025, representing growth of approximately 66.3%. The increase in revenues was primarily attributable to growth in licenses, permits and franchise taxes, charges for services, Local Option Sales Tax revenues, and other locally generated revenues resulting from continued residential and commercial development within the City.

General Fund expenditures increased from approximately $24.0 million in Fiscal Year 2021 to approximately $48.2 million in Fiscal Year 2025, representing growth of approximately 100.9%. The increase in expenditures was primarily attributable to investments in police and fire protection services, personnel costs, capital outlay, information technology improvements, maintenance activities, and other expenditures necessary to support the City's continued growth.

The General Fund balance increased from approximately $14.7 million at the end of Fiscal Year 2021 to approximately $37.4 million at the end of Fiscal Year 2025, representing an increase of approximately $22.7 million, or approximately 154.5%. This growth in financial condition resulted from sustained revenue growth, conservative financial management practices, and the City's commitment to maintaining adequate reserves while funding operational and capital needs.

Fiscal Year 2025. General Fund revenues increased from approximately $48.0 million in Fiscal Year 2024 to approximately $50.1 million in Fiscal Year 2025, representing an increase of approximately 4.2%. The increase was primarily attributable to continued growth in licenses, permits and franchise taxes, miscellaneous revenues, and Local Option Sales Tax revenues. While ad valorem tax revenues decreased during Fiscal Year 2025, the decrease was substantially attributable to a higher Local Option Sales Tax credit factor, which increased the amount of Local Option Sales Tax revenues applied as a credit against property taxes.

General Fund expenditures increased from approximately $42.1 million in Fiscal Year 2024 to approximately $48.2 million in Fiscal Year 2025, representing an increase of approximately 14.5%. The increase was primarily attributable to higher public safety expenditures, personnel-related costs, maintenance activities, and capital outlay expenditures, including investments in equipment and infrastructure necessary to accommodate continued growth.

Following several years of substantial growth in fund balance, the General Fund balance decreased by approximately $1.3 million during Fiscal Year 2025, ending the Fiscal Year at approximately $37.4 million. The decrease was primarily attributable to planned capital expenditures and transfers that exceeded current-year operating surpluses. Despite this decrease, the City believes its General Fund balance remains at a strong level and provides significant financial flexibility to address future operational and capital needs.

Historical Fund Balance

City Council has adopted a formal policy establishing a target unassigned General Fund balance of 25% of budgeted expenditures for the subsequent fiscal year. The policy is intended to provide financial flexibility, mitigate financial risk, and ensure sufficient resources are available to address unforeseen circumstances and one-time expenditures. The policy further provides that if the unassigned General Fund balance falls below the target level, the City will develop a plan to restore the balance in subsequent fiscal years.

The policy considers an unassigned General Fund balance below 20% of budgeted expenditures to be a cause for concern absent unusual circumstances. Conversely, balances in excess of 35% may be considered for designation toward future capital projects, equipment purchases, or other one-time purposes as part of the annual budget process. The City's unassigned General Fund balances at December 31, 2025 and December 31, 2024 were $16,419,350 and $12,529,043, respectively, representing approximately 33% and 26% of actual revenues for the respective fiscal years. Accordingly, the City's unassigned General Fund balance has remained above its policy target in recent years. Pursuant to the City's fund balance policy, balances in excess of the target level may be considered for future capital projects, equipment purchases, or other one-time purposes. The below table shows the fund balance of the City's General Fund for the past five Fiscal Years.

Fiscal Year	Fund Balance
2021	$11,022,236
2022	12,677,898
2023	10,552,777
2024	12,529,043
2025	16,419,350

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. State law 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 October 1, the City Administrator submits to the City Council a proposed operating budget for the Fiscal Year commencing the following January 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 December 31, the budget is legally enacted through passage of an ordinance (which requires two readings not less than six calendar days apart).

4. The City Administrator may authorize shifts in departmental budget line items provided overall departmental appropriations do not change.

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 December 31 of each year, all open purchase orders lapse. On January 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 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 Administrator 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 City for the year ended December 31, 2025, were audited by Love Bailey, LLC, Laurens, South Carolina, as further described in "APPENDIX B — AUDITED FINANCIAL STATEMENTS OF THE CITY OF GOOSE CREEK FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025".

Fiscal Year 2026 General Fund Budget

Property Taxes / Local Option Sales Tax. Property tax revenues budgeted for Fiscal Year 2026 reflect the impact of an increased LOST credit factor. The higher credit factor results in a larger portion of LOST revenues being applied as a credit against property taxes, thereby reducing ad valorem tax revenues while increasing the LOST rebatable portion. Accordingly, changes in property tax revenues, LOST municipal revenues, and LOST rebatable revenues should be viewed together.

Business License Revenues. Fiscal Year 2025 business license revenues exceeded budget primarily due to commercial development activity and business growth within the City. For Fiscal Year 2026, as in prior years, the City employed conservative assumptions when budgeting business license revenues and did not budget for certain large commercial developments until activity is sufficiently certain. Building permit revenues also exceeded budgeted expectations due to continued residential development activity.

Capital Outlay. Fiscal Year 2026 capital outlay includes expenditures for various capital improvement, public safety, infrastructure, and equipment projects approved by City Council. A substantial portion of such expenditures is expected to be funded through accumulated fund balance previously reserved for these planned capital investments. See note to table below.

Capital Lease Financing Proceeds. The Fiscal Year 2026 budget includes approximately $696,000 of capital lease financing proceeds. Based upon current revenue trends, including business license revenues that are currently projected to exceed budgeted amounts, together with anticipated insurance savings, City management presently expects that such financing may not be necessary.

Fund Balance. Notwithstanding the budgeted use of fund balance for capital projects, the City projects an ending Fiscal Year 2026 General Fund balance of approximately $37.5 million.

Fiscal Quarter Ended June 30, 2026. Performance for the two quarters ended June 30, 2026 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.

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			
Property taxes	$7,658,566	$8,104,286	$7,869,442
Licenses and permits	13,251,787	16,288,231	15,219,798
Franchise fees	2,983,279	3,584,861	3,279,256
Charge for services	5,015,950	5,201,325	5,390,608
Fines and forfeitures	469,586	546,969	465,094
Miscellaneous	1,225,479	3,450,589	1,476,396
State Revenues	1,221,161	2,030,246	2,146,192
Local option sales tax – municipal revenue	3,321,926	2,699,948	2,897,233
Local option sales tax - rebatable	8,132,991	8,132,991	9,406,048
Federal Revenues	932,962	29,997	15,635
Total revenues	44,213,687	50,069,443	48,162,702
Expenditures			
Legislative	461,863	452,729	487,316
Human resources	588,163	639,281	690,731
Administrative	3,631,598	2,744,945	3,931,464
Police	15,228,011	15,314,329	17,401,020
Fire	10,363,514	10,313,214	12,870,917
Sanitation	2,385,231	2,040,596	2,429,397
Maintenance	2,063,710	2,089,161	2,315,123
Garage	757,085	758,944	793,041
Court	759,372	747,823	865,495
Planning	1,668,064	1,633,614	1,944,291
Economic development	247,548	282,107	315,984
Information technology	1,644,311	1,673,804	2,108,584
Capital outlay	3,860,539	9,488,343	19,215,250
Total expenditures	43,659,009	48,178,890	65,368,613
Excess (Deficiency) of revenues over expenditures	554,678	1,890,553	(17,202,911)
Other Financing Sources (Uses)			
Insurance proceeds	-	41,529	-
Capital lease financing proceeds	-	-	696,440
Sale of assets	59,000	73,602	59,000
Transfers in	3,055,000	780,000	20,226,291*
Transfer out	(3,668,678)	(4,100,686)	(3,693,809)
Total Other Financing Sources (Uses)	(554,678)	(3,205,555)	17,287,922
Net Change in Fund Balances	-	(1,315,002)	85,011
Fund Balances, Beginning of Year	38,755,231	38,755,231	37,440,229
Fund Balances, End of Year	$38,755,231	$37,440,229	$37,525,240

Source: City's Finance Department.

* Transfers In for Fiscal Year 2026 include approximately $16.4 million representing the budgeted use of accumulated fund balance for previously approved capital projects. Such use of fund balance is intended for one-time capital expenditures and does not reflect the funding of recurring operating expenditures. The budgeted use of fund balance is substantially related to the capital improvement and infrastructure expenditures included within Fiscal Year 2026 capital outlay.

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. 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	$1,485,236	$1,077,948
2022	1,423,948	1,716,294
2023	1,715,091	1,974,067
2024	1,927,858	2,353,008
2025	2,080,192	2,632,292

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. PEBA reported the City's proportionate share of the collective net pension liability to be 0.072921% for SCRS and 0.562303% for PORS and liabilities of $15,757,560 and $15,549,399 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 12 therein for the Fiscal Year 2025, appended hereto as Appendix B.

Other Post-Employment Benefits

Recent Developments

In April 2026, City Council adopted a retiree health benefit program effective January 1, 2026. The program provides a monthly employer contribution toward retiree health insurance coverage for eligible retirees based upon years of service with the City. Under the adopted benefit design, eligible retirees may receive a monthly contribution ranging from $200 to $600 prior to age 66.5, depending upon years of service. No employer contribution is provided after age 66.5.

The City obtained an actuarial valuation of the program utilizing the adopted benefit design. Based on such valuation, the actuarial accrued liability associated with the program was approximately $1.5 million. The recommended actuarially determined employer contribution ("*ADEC*") was approximately $256,000 annually, representing approximately 1.5% of covered payroll.

The City has elected to participate in an administered OPEB trust for purposes of accumulating assets to fund future benefit obligations and currently intends to contribute the full annual ADEC to the trust. As of the date of this Official Statement, no assets have yet been accumulated in the trust.

Because the retiree health benefit program was adopted subsequent to Fiscal Year 2025, no OPEB liability or expense associated with the program is reflected in the City's Fiscal Year 2025 Financial Statements included in Appendix B hereto. Future financial statements will reflect the City's accounting and reporting of the program in accordance with applicable governmental accounting standards.

City management believes the cost of the program is manageable within the City's existing financial structure and does not expect the program to have a material adverse effect on the City's financial condition. The actuarial accrued liability associated with the program is modest relative to the City's overall financial position, including a General Fund balance of approximately $37.4 million at December 31, 2025.

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.

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.[1] 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, §§ 8-27-10–50 of the South Carolina Code, and under any other acts in which an express waiver of sovereign immunity is granted.

[1] 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.

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. [2] 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 6.0% (4.0% for certain projects involving extraordinary capital investment or job creation) of original cost less depreciation. See "– Payments in Lieu of Taxes" below.

(2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business: 9.5% of fair market value;

(3) Legal residence and not more than five contiguous acres: 4.0% of fair market value (if the property owner makes proper application and qualifies);

(4) Agricultural real property used for such purposes owned by individuals and certain corporations: 4.0% of use value (if the property owner makes proper application and qualifies);

(5) Agricultural property and timberlands belonging to corporations having more than ten shareholders: 6.0% of use value (if property owner makes proper application and qualifies);

(6) All other real property: 6.0% of fair market value;

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

(8) Motor vehicles: 6.0%; and

[2] 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%. By the terms of a law passed in May 2026, and now codified at Section 12-37-220(B)(52) of the South Carolina Code, the exemption amount was increased from $170 million to $300 million.

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

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

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 in Fiscal Year 2024.

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 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*"). 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	$191,375
2022	226,101
2023	251,312
2024	302,870
2025	311,091

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. The City applies its Local Option Sales Tax under the statutorily permitted 71% for credits and 29% for general fund usage. 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 (real property taxes are levied in the year noted and collected in following year as described in "- Tax Collection Procedure" below), and is set forth below:

Tax Year	Market Value of Real Property	Assessed Value of Real Property[1]	Assessed Value of Personal Property[2]	Total Assessed Value
2021	$3,727,591,400	$174,264,840	$19,933,150	$194,197,990
2022	4,009,129,400	181,559,260	21,382,120	202,941,380
2023	4,280,981,600	192,092,130	24,968,310	217,060,440
2024	6,313,527,400	229,547,476	25,600,890	255,148,366
2025	6,588,428,200	258,938,570	30,087,080	289,025,650

[1] Includes multicounty park and FILOT real and personal property.
[2] Includes manufacturers' real and personal property.
Source: City's Audited Financial Statements.

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 in tax years 2021 through 2025 is set forth below:

	2021	2022	2023	2024	2025
Millage	47.5	47.5	53.4	60.0	60.0

Note: No debt service millage was levied as the City has no outstanding general obligation bonds.
Source: City records; County Auditor tax levy sheets.

Tax Collections

The following table shows taxes levied (adjusted to include additions, abatements and *nulla bonae*) for the City, taxes collected as of December 31 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	
Tax Year	Total Tax Levy	Taxes Collected	Percentage of Levy	Collections in Subsequent Years	Total Collections	Percentage of Levy
2021	$6,211,097	$5,835,975	94%	$185,375	$6,021,350	97%
2022	5,529,323	5,123,150	93%	148,785	5,271,935	95%
2023	7,620,198	7,070,930	93%	171,570	7,242,500	95%
2024	7,184,905	6,502,152	93%	236,269	6,738,421	94%
2025	7,344,780	6,587,345	90%	279,506	6,866,851	93%

Source: County Auditor and Treasurer; City's records.

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
JWA Cast House LLC	$ 6,016,270	2.1%
Berkeley Electric Cooperative	6,704,480	2.0
CRP / WF Owner Goose	3,817,000	1.3
1501 Third Owner LLC	3,710,600	1.3
DD Crossroads II LLC	3,600,000	1.2
BF Summerville Investco LLC	3,399,650	1.2
104 Gainsborough Drive LLC	2,735,650	0.9
GCA Passage	2,634,030	0.9
Comet Goose Creek	2,493,030	0.9
Cobblestone Village	1,689,330	0.6
Total	$35,800,040	12.4%

Source: County Auditor.

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]	$289,025,650
Constitutional Debt Limit	$ 23,122,052
Outstanding General Obligation Bonds as of July 1, 2026	$0
Outstanding General Obligation Bonds Subject to the Constitutional Debt Limit as of July 1, 2026	$0
Current Legal Debt Limit Available without a Referendum	$ 23,122,052

[1] As of May 5, 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 South Carolina Code.
Source: Fiscal Year 2025 Financial Statements, County Auditor, County Treasurer, and internal records of the City.

The City will indicate in the Municipal Facilities Purchase and Occupancy Agreement to be dated as of September 1, 2026 (see "FACILITIES AGREEMENT" in APPENDIX C – FORMS OF CERTAIN FINANCING DOCUMENTS) (the "*Facilities 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 Facilities Agreement), sufficient to make Installment Payments (as defined in the Facilities 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

As for the date hereof, the City has no outstanding general obligation bonds.

Other City Debt and Obligations

As of December 31, 2025, for financial accounting purposes, the City's (and the Issuer's) long-term debt included revenue bonds and capital leases summarized below. See Note 8 to the 2025 Financial Statements included as Appendix B for more information related to long-term debt.

Hospitality Revenue Bonds. As of January 1, 2026, the City had outstanding (i) $3,818,472 of its originally issued $9,000,000 Special Obligation Bond (Hospitality Fee Pledge), Series 2016 and $1,357,000 of its originally issued $2,500,000 Special Obligation Bond (Hospitality Fee Pledge), Series 2021 (together the "*Special Obligation Bonds*"). The Special Obligation Bonds are payable from the solely from the revenues generated from the Hospitality Fees.

Utility Revenue Bonds. As of January 1, 2026, the City had outstanding $4,192,451 of the $8,500,000 original principal amount, plus capitalized interest, if any, Water System Revenue Bond, Series 2016 (State Drinking Water Revolving Loan Fund) (the "*Series 2016 Revenue Bond*"). The Series 2016 Revenue Bond is payable from the net revenues of the City's water utility system.

Installment Purchase Revenue Bonds. As of January 1, 2026, the Issuer had outstanding $1,979,000 of its originally issued $4,889,000 Installment Purchase Revenue Refunding Bond (Public Works Fire Station Project), Series 2020 (the "*2020 IPRB*"). The 2020 IPRB was issued to effect the redemption in full of the Issuer's originally issued $7,500,000 Installment Purchase Revenue Bond (Public Works Fire Station Project), Series 2014 (the "*2014 IPRB*"). The 2014 IPRB was issued by the Issuer for the benefit of the City to fund the construction the Mount Holly Station, which is located at 535 Old Mt. Holly Road (the "*Mt. Holly Station*"). The 2020 IPRB was issued under a separate trust agreement between the Issuer and the Bank of New York Mellon, N.A., as trustee. The trust estate pledged as security for the 2020 IRPB includes the Mt. Holly Station.

Assessment Bonds. As of January 1, 2026, the City had outstanding $25,720,000 of its originally issued $25,270,000 Carnes Crossroad Improvement District (Assessment Revenue Bonds), Series 2025 (the "*Assessment Bonds*"). The Assessment Bonds were issued to fund infrastructure improvements within the Carnes Crossroads Improvement District (the "*Carnes District*") and secured by the trust estate pledged under a Master Bond Indenture between the City and U.S. Bank Trust Company, National Association. The pledged funds under such Master Bond Indenture primarily consist of special assessments annually levied against properties within the Carnes District. The Assessment Bonds constitute limited obligations of the City, payable solely from the pledged revenues and assets under the Master Bond Indenture. The full faith and credit and taxing power of the City are not pledged to the payment of the Assessment Bonds.

Capital Leases. As of January 1, 2026, the City had $794,073 in principal amount outstanding under various commercial bank lease purchase arrangements, payments for which the City intends to fund from the enterprise fund revenues and the governmental fund. The proceeds of the commercial bank leases were used to defray the cost of equipment for activities supporting police equipment in the governmental funds and golf carts and grounds maintenance equipment in the Recreation fund . 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 by the City. For purposes of the following table, totals may not add due to rounding.

Fiscal Year	Governmental Funds	Enterprise Funds	Total
2026	$129,036	$249,477	$378,513
2027	24,700	181,595	206,295
2028	-	166,447	166,447
2029	-	42,818	42,818
2030	-	-	-
Total	$153,736	$640,337	$794,073

Note: Approximately 81% of the City's outstanding lease purchase obligations are associated with enterprise fund operations and are expected to be paid from enterprise fund revenues. Approximately 19% are associated with governmental activities and are expected to be paid from governmental fund revenues.

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. Such plans are subject to change in the discretion of City Council.

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
Berkeley County*	$ 87,685,000
Berkeley County School District**	144,638,000

Source: 2025 Audited Financial Statements of Berkeley County and Berkeley County School District, respectively.
* The County recently issued its $40,000,000 General Obligation Bonds, Series 2026. Such bonds were issued after June 30, 2025, and are not included in the amount of principal outstanding.
** The School District recently issued its $114,005,000 General Obligation Bonds, Series 2025A and its $1,465,000 General Obligation Bonds, Taxable Series 2025B. Such bonds were issued after June 30, 2025, and are not included in the amount of principal outstanding. Both series of bonds matured on June 1, 2026; however, the School District historically does an annual general obligation bond issuance, and it is anticipated that another series of general obligation bonds will be issued in the late summer of 2026. Additionally, 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.

ECONOMIC AND DEMOGRAPHIC INFORMATION

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
2020	$45,395	$48,760	$59,151
2021	50,288	53,390	64,692
2022	51,606	54,561	66,298
2023	55,241	57,766	70,002
2024	58,397	60,776	73,204

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 on the following page:

Company	Nature of Business
Berkeley County Government	Government
Berkeley County Schools	Education
Berkeley Electric Cooperative Inc.	Utilities
Blackbaud Inc.	Cloud Software for Fundraising
Booz Allen Hamilton Inc.	Technology Consulting
Caliber Holdings Corporation	Collision Repair
Crown Beverages Inc.	Beverage Distribution
Dorchester School District #2	Education
Hire Quest LLC	Staffing Solutions
Lowcountry Grocers LLC	Grocery
Nucor Corporation	Steel Manufacturing
Publix Super Market Inc.	Grocery
Roper St. Francis Healthcare	Healthcare
Santee Cooper SC Public Service Authority	Utilities
Scientific Research Corporation	Research
South Carolina Public Service Authority	Utilities
Staffmark Investment LLC	Investment
Thorne Research, Inc.	Research
Volvo Car USA LLC	Car Manufacturing
WAL-MART Associates Inc.	Retail

Source: SC Department of Employment and Workforce, January 2026 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:

	2021	2022	2023	2024	2025
Civilian Labor Force	110,296	116,391	124,682	130,554	134,011
Employment	106,471	112,970	121,423	125,813	128,715
Unemployment	3,825	3,421	3,259	4,741	5,296
% of Labor Force Unemployed	3.5%	2.9%	2.6%	3.6%	4.0%

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	City	County	State	United States
2021	3.1%	3.5%	3.9%	5.3%
2022	2.9	2.9	3.2	3.6
2023	2.7	2.6	3.0	3.6
2024	3.7	3.6	4.1	4.0
2025*	4.0	4.0	4.5	4.3

* Annual estimates for 2025 are 11-month averages that exclude October. Data for October 2025 was not collected due to the federal government shutdown.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

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

Month/Year	Unemployment Rate
June 2026	4.1%[P]
May 2026	3.7
April 2026	3.4
March 2026	3.8
February 2026	5.0
January 2026	5.0
December 2025	4.6
November 2025	4.6
October 2025	--*
September 2025	3.9
August 2025	4.4
July 2025	4.6

[P] Preliminary
* Data for October 2025 was not collected due to the federal government shutdown.
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	$938,668,367	--	$10,393,197,717	--
2022	1,000,245,182	6.6%	11,322,479,457	8.9%
2023	1,040,215,680	4.0	9,955,701,015	(12.0)
2024	1,049,302,337	0.9	10,297,607,174	3.4
2025	1,102,972,187	5.1	11,926,230,946	15.8

Source: South Carolina Department of Revenue.

Economic Development

Despite global economic uncertainty and tariffs, the County continues to demonstrate strong competitiveness in industrial growth, both locally and statewide. Existing industry expansions and foreign direct investment remain robust, with core sectors such as defense, chemicals, and advanced manufacturing leading the way.

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

In February 2025, HII, a global defense provider, announced it selected the County to establish the company's first South Carolina operation through the acquisition of substantially all of the assets of W International SC, LLC and Vivid Empire SC, LLC, a South Carolina-based complex metal fabricator specializing in the manufacture of shipbuilding structures, modules and assemblies. Through its investment, HII anticipates creating over 250 new jobs.

In September 2024, Google announced plans to grow its South Carolina footprint by establishing two new data center campuses in Dorchester County and expanding its existing data center campus in the County. The company's combined investment of $3.3 billion will create hundreds of new jobs across both counties.

In February 2024, Leonardo DRS, through its subsidiary, DRS Naval Power Systems, announced it selected the County to establish the company's first South Carolina operation. The company's approximate net investment of $120 million is expected to create 58 new jobs.

In July 2023, Honor LSV, a startup manufacturing company, announced its decision to choose the County for establishing South Carolina operations to design, manufacture and assemble golf carts and luxury low speed vehicles. The company's $34.2 million investment is expected to create 65 new jobs.

In March 2023, ZEB Metals, as part of a newly established joint venture with Glencore, announced plans to establish its first South Carolina operations in the County. The company's new operations will create 28 new jobs.

In December 2022, Redwood Materials, a producer of anode and cathode battery components for electric vehicles, announced plans to establish operations in the County. The company's $3.5 billion investment, which marks the largest economic development announcement in the history of South Carolina, will create 1,500 new jobs.

In August 2022, Nucor Corporation (Nucor), one of the largest manufacturers of steel and steel products in North America, announced plans to expand operations in the County. The initial investment was anticipated to be $200 million, but in September 2022, this amount was revised to $425 million and 50 new jobs.

In April 2022, Sagebrook Home, a global home décor brand, announced plans to establish operations in the County. The company's $80 million investment is anticipated to create 117 new jobs.

In November 2021, DHI Corp, a home goods provider, announced plans to establish operations in the County. The $627,000 investment will create 40 new jobs.

In September 2021, HYDERA, a joint venture between Pacolet Milliken and OURAY, announced plans to establish operations in the County at the Charleston International Manufacturing Center. The $15 million investment will create 15 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	305	$693,627,000
2022	1,667	4,205,000,000
2023	93	34,200,000
2024	58	1,420,000,000
2025	250	0

Source: South Carolina Department of Commerce.

Building Permits

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

	RESIDENTIAL		COMMERCIAL	
Year	# of Permits	Cost	# of Permits	Cost
2021	3,408	$1,094,085,349	167	$613,089,305
2022	2,604	1,054,363,090	180	415,616,520
2023	2,526	1,213,128,557	206	301,645,515
2024	3,181	1,341,892,017	196	615,188,115
2025	3,189	1,095,015,040	199	790,781,216

Source: Berkeley-Charleston-Dorchester Council of Governments

Facilities Serving the County

Transportation. The County is primarily served by Interstate 26 and Interstate 526, which facilitate essential commuter and freight movement through the Lowcountry. Interstate 26 runs northwest to southeast across the County, providing direct links to major South Carolina cities like Columbia and Charleston. Recent infrastructure improvements include the completion of the Volvo Car Interchange at mile marker 189 to support the nearby manufacturing plant and the implementation of modern roundabout designs at Exit 187. Interstate 526, also known as the Mark Clark Expressway, serves as an auxiliary route and partial beltway, extending into the Daniel Island section of the County to bypass downtown Charleston.

The County owns and operates Berkeley County Airport (MKS), a public-use general aviation facility located about one mile from the central business district of Moncks Corner. While it focuses on general aviation, the airport is part of a regional system that includes Charleston International Airport (CHS), located roughly 23 miles away, which serves as the primary commercial hub for the County's residents. Additionally, several private airstrips are located within the County, including Crosswinds-Wilson Airport in Cross, Mount Holly Airport, and Lesesne Airport in Nelson Hill.

The CSX System and the Norfolk Southern Railway System are the mainline railroads serving the area. The South Carolina Public Railway Commission operates two belt lines, one to the downtown waterfront and the other to North Charleston. Passenger service is provided by Amtrak which has a station in North Charleston.

Infrastructure. The South Carolina Ports Authority ("*SCPA*") operates the Port of Charleston (the "*Port*"), which is the 8th largest seaport in the United States. While the majority of the SCPA's assets are located in Charleston County, SCPA operates intermodal and cargo-support infrastructure serving the Port system, including facilities and corridors affecting the County industrial development and freight movement. In particular, the Hugh K. Leatherman Terminal, a majority container terminal at the Charleston Naval Base area, and the Ridgeland Industrial Campus, an industrial and logistics property owned by SCPA, are both located in the County.

Medical and Health Services. Roper St. Francis Berkeley Hospital ("*Berkeley Hospital*"), a 50-bed facility in the Carnes Crossroads area, is located in Summerville and is one of four flagship hospitals among 120 facilities and services operated by Roper St. Frances Healthcare, a not-for-profit health system serving four counties. This hospital provides comprehensive medical services including a 24-hour emergency department, a Mother & Baby Unit designated for maternity care, and advanced surgical capabilities like robotics. Its campus also includes a medical office building housing specialists in cardiology, oncology, orthopedics, and urology, alongside outpatient rehabilitation for physical, occupational, and speech therapy. Additionally, the Moncks Corner Medical Plaza provides residents with 24-hour emergency care, imaging services (including 3D mammography), and a sleep lab. Construction is currently underway to double Berkeley Hospital's size from 50 to 100 beds and add more than 200,000 square feet of new or renovated space.

Expanding the County's access to specialized care, MUSC Health operates significant facilities like the Clements Ferry Pavilion, an 80,000-square-foot office building offering pediatric and adult primary care, gastroenterology, and neurosurgery. Further development is underway with the Nexton Medical Pavilion, scheduled for completion in late 2027 to serve the growing Nexton community. For emergency needs in Moncks Corner, the HCA Healthcare Moncks Corner ER, a part of Trident Hospital, offers 24/7 board-certified emergency medicine and 3D mammography screenings.

Public Schools. There are 18 fully-accredited schools operated by the Berkeley 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. The County provides a range of higher education opportunities, from technical vocational training to private four-year university programs. The County is a primary service area for Trident Technical College, which operates a dedicated Berkeley Campus in Moncks Corner. This public institution offers associate degrees, diplomas, and over eight national certification programs in fields such as cosmetology, veterinary technology, and industrial studies. Additionally, the County is home to Charleston Southern University in North Charleston, a private, four-year Christian university offering a wide array of undergraduate and graduate degrees. The College of Charleston, The Citadel, The Medical University of South Carolina and the main campus of Trident Technical College are located in neighboring Charleston County.

Recreation. The County offers a range of recreation assets that are primarily natural, water-oriented, and tourism-driven. The County's system is anchored by significant natural resources, including lakes, rivers, and wetlands, which support boating, fishing, paddling, and other outdoor activities. Key facilities include Cypress Gardens, a regional destination featuring trails, boat access, and environmental education, as well as public waterfront parks and boat landings that expand access to Lake Moultrie and surrounding waterways.

Lake Moultrie was created in the early 1940s by the Santee Cooper Project for hydroelectric power. The Lake covers about 60,000 acres in the County. Canals connect Lake Moultrie to Lake Marion in neighboring Clarendon County and to the Santee River, which runs along the County's northern border. Public access to two boat ramps, picnic facilities, and opportunities for swimming and canoeing are provided at waterfowl and wildlife management areas and a recreation area maintained by the U.S. Forest Service, as well as a park maintained by Santee Cooper.

The County also benefits from an extensive paddling trail network known as the Berkeley Blueways, which provides numerous designated routes for canoeing and kayaking. Additional recreational opportunities are available through nearby resources such as Old Santee Canal Park, as well as beach parks, campgrounds, and marinas that support both day-use and overnight visitation.

The Palmetto Trail, a multi-purpose hiking, biking, and horseback-riding trail connecting the mountains of South Carolina to the seacoast, runs through the County. A 26-mile passage of the Palmetto Trail runs along the shores of Lake Moultrie within the County, and a 42-mile passage runs through the Francis Marion National Forest, which covers part of the County and part of neighboring counties.

The City offers hiking and biking trails, a pool, golf, and several parks. The newest park that opened in 2022 is Central Creek Park, a state-of-the-art inclusive recreational park featuring a 13-acre all-abilities space with diverse play components including a splash pad, adaptive zip line, pickleball courts, and walking trails.

Financial Institutions

According to the Federal Deposit Insurance Corporation, as of June 30, 2025, there were eight branches of commercial banks in the City, with deposits at all institutions totaling around $680,899,000.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF GOOSE CREEK FOR THE FISCAL YEAR ENDED DECEMBER 31, 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 GOOSE CREEK, SOUTH CAROLINA
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025

CITY OF GOOSE CREEK, SOUTH CAROLINA
DECEMBER 31, 2025

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CITY OF GOOSE CREEK, SOUTH CAROLINA
DECEMBER 31, 2025

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LOVE BAILEY

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Goose Creek, 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, each major fund, and the aggregate remaining fund information of the City of Goose Creek, South Carolina, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of Goose Creek, South Carolina's 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, each major fund, and the aggregate remaining fund information of the City of Goose Creek, South Carolina, as of December 31, 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 *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 Goose Creek, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Goose Creek, 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

111 ½ E. Laurens Street Laurens, SC 29360 Phone: 864.984.2698 Fax: 864.984.2874 lovebaileycpa.com

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 and *Government 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 Goose Creek, 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, that raise substantial doubt about the City of Goose Creek, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goose Creek, South Carolina's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, comparative schedule of revenues – general fund, comparative schedule of expenditures – general fund, comparative schedule of expenditures – proprietary funds, the uniform schedule of court fines, assessments, and surcharges (per ACT 96), and 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of 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 June 17, 2026, on our consideration of the City of Goose Creek, 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 Goose Creek, 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 Goose Creek, South Carolina's internal control over financial reporting and compliance.

Love Bailey, LLC

Love Bailey, LLC
Laurens, South Carolina
June 17, 2026

As management of the City of Goose Creek (the "City"), we offer the readers of our financial statements this narrative, overview and analysis of the financial activities of the City for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes.

Financial Highlights

- The governmental activities and business-type activities combined assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2025, by $197,443,766 (*net position*). The unrestricted net position was $22,223,088, this was due to the Governmental Accounting Standards Board's requirement to record a net pension liability of $31,306,959, which reduced unrestricted net position. Total net position increased $60,626,541. The increase was largely due to increased revenues from a special assessment contribution, business licenses, property taxes, and contributed capital.

- On December 31, 2025, the City's governmental funds reported a combined ending fund balance of $61,942,372 an increase of $12,154,168. The increase was primarily the result of an increase in business license collections and property taxes revenue in the general fund and a special assessment contribution in the capital projects fund. The fund balance for the general fund was $37,440,229, or 77.71% of the total general fund expenditures.

- The City's governmental activities capital assets increased by $24,672,860 (52.34%). The increase was primarily the result of the donated infrastructure and the construction of recreational facilities. Current year capital asset additions were $31,304,874 being offset by depreciation expense of $3,662,680. The City's business-type activities capital assets increased by $17,934,261 (25.85%), with current year capital asset additions of $19,383,072 being offset by depreciation expense of $4,357,400. As detailed above, the most significant addition was the construction in progress for the water expansion project and contributed water systems of $18,379,689.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three sections: 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.

Government-wide Financial Statements – The *government-wide financial statements* provide a broad overview of the City's operations in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and all intergovernmental revenues (g*overnmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City include general government, planning, police, fire, court, sanitation, maintenance, garage, and recreation. The business-type activities include the water, recreation and golf course operations.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be classified into two categories: governmental and proprietary funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. All of the City's basic services are reported in the governmental funds financial statements, which focus on how money flows into and out of those funds in the near-term and the balances left at year-end that are available for commitment. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be committed in the near future to finance the City's programs. This information may be useful in evaluating the City's near-term financing requirements.

Because this focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the local option sales tax fund both of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund, the local hospitality tax fund, and all special revenue funds.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Proprietary Fund – The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, recreation and golf course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, recreation and golf operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-64 of this report.

Other Information – The City adopts an annual appropriated budget for its general fund and all of the special revenue funds. A budgetary comparison schedule has been presented as required supplementary information for the general fund and major governmental funds to demonstrate compliance with the budget. Required supplementary information can be found on pages 65-69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 70-71 of this report.

Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $197,443,766 at the close of the most recent fiscal year.

The largest portion of the City's net position is its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City of Goose Creek Net Position

	Governmental Activities		Business-type Activities		Total		Percent Change
	2024	**2025**	2024	**2025**	2024	**2025**	2024 - 2025
Current and Other Assets	$ 67,622,820	**$ 79,957,898**	$ 13,794,471	**$ 16,070,456**	$ 81,417,291	**$ 96,028,354**	17.9%
Capital Assets	47,137,973	**71,821,067**	69,370,397	**87,303,558**	116,508,370	**159,124,625**	36.6%
Total Assets	114,760,793	151,778,965	83,164,868	103,374,014	197,925,661	255,152,979	28.9%
Deferred outflows	6,782,007	**5,959,534**	834,118	**817,261**	7,616,125	**6,776,795**	(11.0%)
Long-term Liabilities Outstanding	34,260,825	**31,823,542**	10,417,190	**9,395,151**	44,678,015	**41,218,693**	(7.7%)
Other Liabilities	5,584,078	**6,996,218**	2,394,262	**2,139,826**	7,978,340	**9,136,044**	14.5%
Total Liabilities	39,844,903	38,819,760	12,811,452	11,534,977	52,656,355	50,354,737	(4.4%)
Deferred inflows	14,682,051	**13,085,602**	1,386,155	**1,045,669**	16,068,206	**14,131,271**	(12.1%)
Net Position:							
Net Investment in Capital Assets, Net of Related Debt	39,520,831	**65,987,279**	63,921,736	**82,470,771**	103,442,567	**148,458,050**	43.5%
Restricted	15,582,936	**26,762,628**	-	**-**	15,582,936	**26,762,628**	71.7%
Unrestricted	11,912,079	**13,083,230**	5,879,643	**9,139,858**	17,791,722	**22,223,088**	24.9%
Total Net Position	$ 67,015,846	**$ 105,833,137**	$ 69,801,379	**$ 91,610,629**	$ 136,817,225	**$ 197,443,766**	44.3%

Governmental Activities – Governmental activities increased the City's total net position by $44,117,218 before transfers. This was primarily due to increased business license, property tax revenues, and grants and contributions.

The City of Goose Creek Changes in Net Position

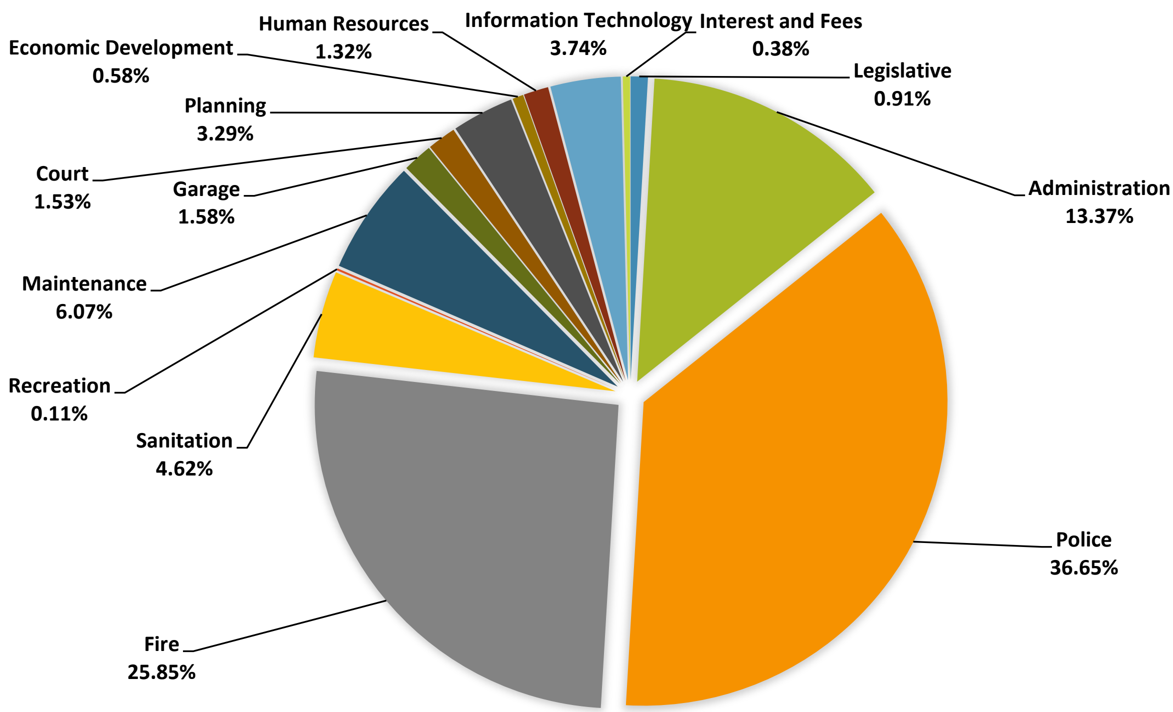
	Governmental Activities		Business-type Activities		Total		Total Percent Change
Revenues:	2024	2025	2024	2025	2024	2025	2024 - 2025
Program Revenues:							
Charges for Services	$ 21,527,532	$ 23,091,526	$ 10,817,558	$ 12,561,515	$ 32,345,090	$ 35,653,041	10.2%
Operating Grants and Contributions	17,447,605	1,910,697	-	-	17,447,605	1,910,697	(89.0%)
Capital Grants and Contributions	2,823,000	34,023,330	7,166,744	18,986,312	9,989,744	53,009,642	430.6%
General Revenues:							
Property Taxes	8,773,340	8,104,286	679,498	773,394	9,452,838	8,877,680	(6.1%)
Local Option Sales Taxes	7,658,739	10,832,939	-	-	7,658,739	10,832,939	41.4%
Hospitality	2,892,571	3,157,384	-	-	2,892,571	3,157,384	9.2%
Franchise	3,273,895	3,584,861	-	-	3,273,895	3,584,861	9.5%
Unrestricted Grants and Contributions	456,509	63,065	500,000	4,000	956,509	67,065	(93.0%)
Unrestricted revenue from use of monies and property	1,249,167	1,303,500	-	-	1,249,167	1,303,500	4.3%
Miscellaneous	2,442,690	4,119,251	806,533	715,469	3,249,223	4,834,720	48.8%
Total Revenues	68,545,048	90,190,839	19,970,333	33,040,690	88,515,381	123,231,529	39.2%
Expenses:							
Legislative	430,354	419,948	-	-	430,354	419,948	(2.4%)
Administration	4,767,530	6,161,454	-	-	4,767,530	6,161,454	29.2%
Police	15,756,051	16,884,419	-	-	15,756,051	16,884,419	7.2%
Fire	10,791,447	11,911,887	-	-	10,791,447	11,911,887	10.4%
Sanitation	2,174,210	2,128,987	-	-	2,174,210	2,128,987	(2.1%)
Recreation	47,104	49,574	-	-	47,104	49,574	5.2%
Maintenance	1,854,997	2,796,423	-	-	1,854,997	2,796,423	50.8%
Garage	649,669	728,857	-	-	649,669	728,857	12.2%
Court	692,876	704,037	-	-	692,876	704,037	1.6%
Planning	1,394,662	1,515,802	-	-	1,394,662	1,515,802	8.7%
Economic Development	182,596	267,512	-	-	182,596	267,512	46.5%
Human Resources	432,530	608,889	-	-	432,530	608,889	40.8%
Information Technology	1,778,035	1,721,362	-	-	1,778,035	1,721,362	(3.2%)
Interest and Fees	194,374	174,470	116,878	103,316	311,252	277,786	(10.8%)
Water	-	-	5,902,402	8,093,905	5,902,402	8,093,905	37.1%
Recreation	-	-	7,779,480	8,334,146	7,779,480	8,334,146	7.1%
Total Expenses	41,146,435	46,073,621	13,798,760	16,531,367	54,945,195	62,604,988	13.9%
Increase in Net Position Before Transfers	27,398,613	44,117,218	6,171,573	16,509,323	33,570,186	60,626,541	80.6%
Transfers	(9,352,233)	(5,299,927)	9,352,233	5,299,927	-	-	-
Increase in Net Position	18,046,380	38,817,291	15,523,806	21,809,250	33,570,186	60,626,541	80.6%
Net Position January 1	48,969,466	67,015,846	54,277,573	69,801,379	103,247,039	136,817,225	32.5%
Net Position, December 31	$ 67,015,846	$ 105,833,137	$ 69,801,379	$ 91,610,629	$ 136,817,225	$ 197,443,766	44.3%

Capital grants and contributions were the City's largest program revenue, accounting for $34,023,330 (37.72%) of total governmental revenues. These contributions relate to the special assessment contribution received for the Carnes Crossroads Improvement District. Charges for services accounted for $23,091,526 (25.60%) of governmental revenues.

Property tax revenues accounted for $8,104,286 (8.99%) of governmental revenues. Another component of general revenues that is related to property taxes is the revenue received from local option sales taxes which accounted for $10,832,939 (12.01%). Franchise fees of $3,584,861 (3.97%) and the local hospitality tax of two percent of the sales of food and beverages generated $3,157,384 (3.50%) in revenue. The top five revenue sources combined for a total of $79,636,942 (88.30%) of the revenue for the City.

The Police Department program accounted for $16,884,419 (36.65%) of the $46,073,621 total expenses for governmental activities. The Fire Department had the next largest program accounting for $11,911,887 (25.85%) of the total governmental expenditures.

Expenditures by Department



The following table for governmental activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Governmental Activities – Cost of Services

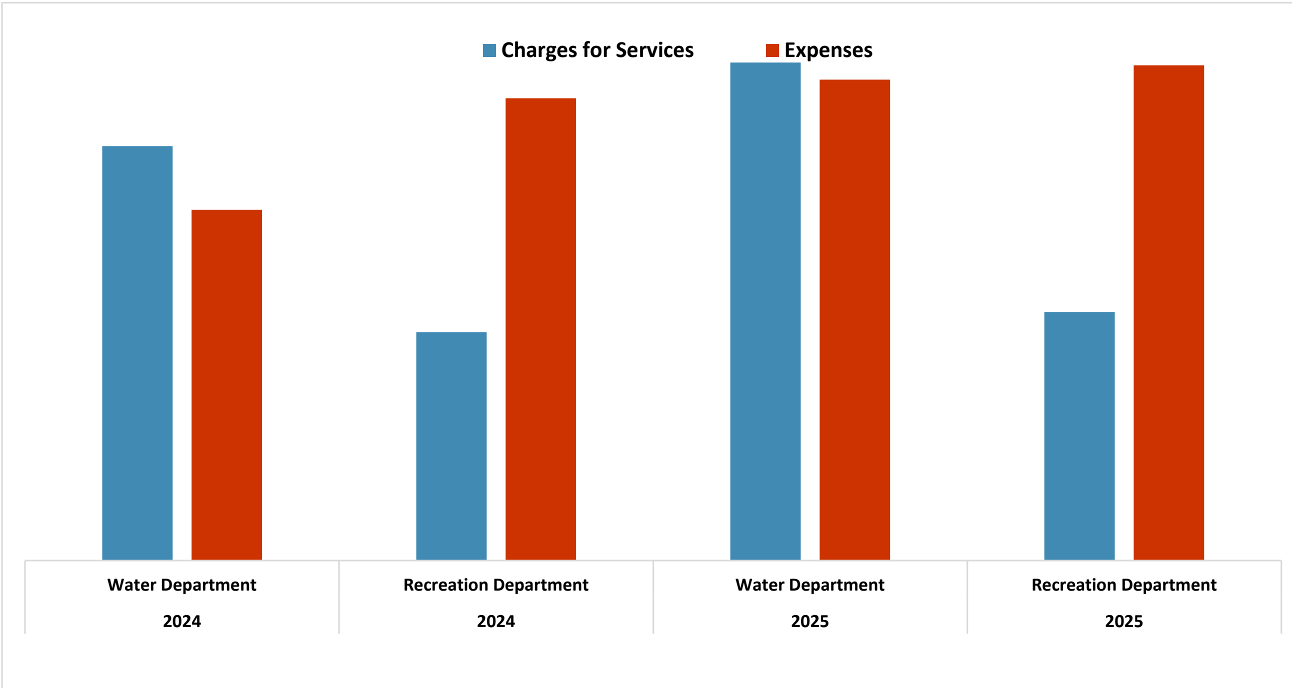
	2024		**2025**			
	Total Cost of Services	Net Cost of Services	**Total Cost of Services**	**Net Cost of Services**	Total Cost of Services Percentage Change	Total Net Cost of Services Percentage Change
Legislative	$ 430,354	$ (430,354)	**$ 419,948**	**$ (419,948)**	(2.42%)	2.42%
Administration	4,767,530	27,290,650	**6,161,454**	**12,848,735**	29.24%	52.92%
Police	15,756,051	(11,165,553)	**16,884,419**	**(14,745,383)**	7.16%	(32.06%)
Fire	10,791,447	(9,560,969)	**11,911,887**	**(10,638,069)**	10.38%	(11.27%)
Sanitation	2,174,210	491,771	**2,128,987**	**662,081**	(2.08%)	(34.63%)
Recreation	47,104	1,205,896	**49,574**	**(21,488)**	5.24%	101.78%
Maintenance	1,854,997	(1,854,997)	**2,796,423**	**(2,706,423)**	50.75%	(45.90%)
Garage	649,669	(649,669)	**728,857**	**(724,857)**	12.19%	(11.57%)
Court	692,876	(692,876)	**704,037**	**(703,477)**	1.61%	(1.53%)
Planning	1,394,662	(1,394,662)	**1,515,802**	**(1,494,932)**	8.69%	(7.19%)
Economic Development	182,596	(182,596)	**267,512**	**33,400,414**	46.50%	18391.97%
Human Resources	432,530	(432,530)	**608,889**	**(608,889)**	40.77%	(40.77%)
Information Technology	1,778,035	(1,778,035)	**1,721,362**	**(1,721,362)**	(3.19%)	3.19%
Interest and Fees	194,374	(194,374)	**174,470**	**(174,470)**	(10.24%)	10.24%
Total Expenses	$ 41,146,435	$ 651,702	**$ 46,073,621**	**$ 12,951,932**	11.97%	(1887.40%)

Program revenues from charges for services of $23,091,526 (50.12%) of the total costs of services were received and used to fund the general government expenses of the City. The remaining $22,982,095 in general government expenses were funded by property taxes, local option sales taxes, hospitality tax, franchise fees, unrestricted grants and other revenue.

Business-type Activities

Charges for services were the City's largest business-type program revenue, accounting for $12,561,515 (54.17%) of the total business-type activities program revenues. These charges are: water and water services, (i.e. sales of water, tap and impact fees, late charges, administration fees, and fire demand fees) for the water enterprise fund; recreation fund revenue from memberships, recreation fees, class fees and concession stand sales; and memberships, green fees, cart fees, pro shop sales, and food and beverage sales for the golf enterprise fund. The recreation fund received $3,111,338 during 2025 from the general fund for recreation operations.

The water enterprise fund also had capital contributions of $18,379,689 for the water lines which were primarily installed at Carnes and Hewing Farms.



Financial Analysis of the City of Goose Creek's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds - The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2025, the City's total governmental funds reported a combined ending fund balance of $61,942,372. Approximately 26.44% of this total ($16,376,469) is unassigned fund balance. The remaining fund balances are: nonspendable, $1,553,515; restricted, $26,762,628; committed, $861,708; and assigned, $16,388,052. The largest portion of the restricted fund balance is $18,665,281 for capital projects.

The general fund is the primary operating fund of the City. At the end of the current year the unassigned fund balance of the general fund was $16,419,350 with a total fund balance of $37,440,229. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.08% of total general fund expenditures, while total fund balance represents 77.71% of that same amount.

The City instituted a two percent hospitality tax on food and beverages in 2014. Revenue generated from the hospitality fee must be used for purposes which include; tourism-related, cultural, recreational or historical facilities. During 2025, $987,732 was spent for debt service. The hospitality fund revenue for 2025 was $3,433,369.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As stated earlier the business-type activities net position increased by $21,809,250 primarily due to capital contributions, however in addition to this, there was an increase in tennis revenue and a water rate increase. Another contributing factor for this increase was capital contributions of water lines in the water fund totaled $18,379,689 in capital contributions. The total change in net position for the funds was an increase of $18,965,331 in the water department and an increase of $2,843,919 in the recreation department. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

The City's general fund revenues were $5,855,756 more than budgeted and was primarily due from an unbudgeted revenue in the form of multiple grant proceeds. Additionally, there was an increase in in business license revenue, permit revenue and franchise fee revenue and revenue from those sources exceeded budgeted revenue by $3,638,026. Expenditures were $4,519,881 more than budgeted, which was primarily the result of increased capital outlay expenditures. The actual decrease in the City's general fund balance was $1,315,002. The hospitality fund had a decrease in fund balance of $122,371 which was $699,776 more than what was budgeted. This was primarily due to $528,143 of unspent administrative expenses.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, was $159,114,391 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, vehicles, computers, software, equipment, mast arms and infrastructure.

Some of the major capital asset events during the current fiscal year included the following:

- Construction in progress for fire station IV - $2,792,006
- Construction in progress for an event center - $5,241,263
- Construction in progress for the chapel art gallery - $712,856
- Construction in progress for the water expansion project - $696,740
- Construction in progress for the joint training facility - $141,546
- Purchase of 18 police vehicles - $810,065
- Purchase of a fall protection system for the garage department - $98,090
- Contribution of water lines - $18,379,689
- Contribution of infrastructure - $17,213,729
- Completion of the Crowfield Clubhouse Remodel - $2,848,602
- Completion of the Creek Collective - $1,052,309

Additional information on the City's capital assets can be found in Note 6 – Capital Assets.

The City of Goose Creek Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2024	**2025**	2024	**2025**	2024	**2025**	2024 - 2025
Land	$ 9,036,336	**$ 9,036,336**	$ 1,956,615	**$ 1,956,615**	$ 10,992,951	**$ 10,992,951**	0.0%
Construction in progress	4,310,052	**12,849,643**	53,647	**720,088**	4,363,699	**13,569,731**	211.0%
Buildings	18,776,165	**19,187,508**	19,347,531	**18,844,697**	38,123,696	**38,032,205**	(0.2%)
Improvements	734,187	**782,135**	9,293,848	**11,418,732**	10,028,035	**12,200,867**	21.7%
Vehicles	7,645,417	**7,158,740**	251,278	**307,848**	7,896,695	**7,466,588**	(5.4%)
Software	373,663	**267,221**	-	**150,158**	373,663	**417,379**	11.7%
Mast Arms	199,402	**144,869**	-	**-**	199,402	**144,869**	(27.3%)
Equipment and computers	1,793,504	**1,827,742**	1,643,824	**1,198,255**	3,437,328	**3,025,997**	(12.0%)
Streetscape	3,194,947	**2,915,193**	-	**-**	3,194,947	**2,915,193**	(8.8%)
Infrastructure	1,074,300	**17,641,446**	-	**-**	1,074,300	**17,641,446**	1542.1%
Water System	-	**-**	35,592,711	**51,512,385**	35,592,711	**51,512,385**	44.7%
Land Improvements	-	**-**	1,229,843	**1,194,780**	1,229,843	**1,194,780**	(2.9%)
	$ 47,137,973	**$ 71,810,833**	$ 69,369,297	**$ 87,303,558**	$ 116,507,270	**$ 159,114,391**	36.6%

Long-term Debt - At the end of the current fiscal year, the City had a total long-term debt outstanding of $12,140,996. The debt does not comprise debt backed by the full faith and credit of the government. The governmental activities debt consists of a revenue bond payable of $1,979,000 for the construction of two fire stations; a revenue bond of $3,818,473 for the construction of a recreation facility; a revenue bond of $1,357,000 for the construction of a recreation facility; a note payable of $15,861 for the purchase of portable handheld radios, and a note payable in the amount of $137,875 for the purchase of vehicles and equipment. The business-type activities debt includes a note payable of $4,192,450 for the construction of a water tower and expansion of the water system and financed purchases payable of $640,337 for the purchase of golf and recreation maintenance equipment.

Additional information on the City's long-term debt can be found in Note 8 - Long-term Debt.

The City of Goose Creek Outstanding Debt

Revenue Bonds, Notes Payable and Leases Payable

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2024	**2025**	2024	**2025**	2024	**2025**	2024 - 2025
Revenue bonds	$ 8,614,341	**$ 7,154,473**	$ -	**$ -**	$ 8,614,341	**$ 7,154,473**	(16.9%)
Notes payable	462,668	**153,736**	4,552,028	**4,192,450**	5,014,696	**4,346,186**	(13.3%)
Financed purchases	-	**-**	895,160	**640,337**	895,160	**640,337**	(28.5%)
Leases payable	-	-	1,473	-	1,473	-	(100.0%)
	$ 9,077,009	**$ 7,308,209**	$ 5,448,661	**$ 4,832,787**	$ 14,525,670	**$ 12,140,996**	(16.4%)

Economic Factors and Next Year's Budget

The City continues to experience both economic and population growth. According to the City's latest economic development strategic plan, the City population climbed close to 50,000 in 2024. This represents at 29.4% increase in population since 2010. The population is expected to reach near 55,000 by 2026.

The City's business license revenue increased by $1,158,415, or 9%, during 2025 compared to the prior year. This growth was primarily attributable to increased construction activity and higher reported gross sales by businesses operating within the City limits, both of which positively impacted business license collections. Local Option Sales Tax revenue (including the rebatable and municipal portions) increased by $3,174,200, or 41%, compared to the prior year. This increase was primarily driven by adjustments to the Local Option Sales Tax Credit Factor, which resulted in a higher rebate on real property taxes, as well as increased sales activity within the City limits.

During the current fiscal year, the City's general fund balance decreased $1,315,002 primarily the result of increased expenses for capital outlay and $4,100,686 transfers to other funds.

The hospitality tax fund balance decreased by $122,371 as the result of administrative expenses exceeding total revenues. The total other governmental fund balances increased by $13,591,541 which was primarily the result of a special assessment contribution.

The City still maintains the funds necessary to continue to provide quality services to the residents. In 2025 Goose Creek continues to see a boom in new development plans starting and in the pipeline. Phase 1 of Uptown at Carnes is complete with Phase 2 under construction. Tenants include two full-service restaurants (one with a rooftop bar/dining), six quick service restaurants, and various other personal service businesses. Delivery of phases 2 and 3 are expected in late 2026 and 2027. With full build out it will bring over 100,000 sq feet of retail, restaurant, and office space to the market. Also at Carnes, The Marketplace is a Publix anchored shopping center with over 85,000 sq feet of retail space is built out and 80% occupied with a full-service restaurant, five quick service restaurants and personal service businesses. More quick service and full-service restaurants in The Marketplace are currently in the upfit process and should be opening within the next 3-6 months. Goose Creek's newest hotel, Springhill Suites, is vertical and should be completed by mid-2027. At the Hwy 52 and St James intersection, the Carolina Avenue development is vertical and just announced its first tenant, a full-service brunch restaurant which should open in fall 2026. Avalon Point is a new mixed-use development that is coming to Red Bank Road and will include 10,000+ sq ft of retail that is pre-leasing and the developer is currently building out the residential area then they will start on the commercial element. Red Bank Road continues to see strong leasing activity and a new full service Brazilian restaurant was just announced. In Crowfield Corporate Park, due to pending closures of two businesses who have been affected by tariff policies, there will be upcoming vacancies that EDD is working with Berkeley County ED and SC Department of Commerce to help fill with new companies. In addition, plans are underway for a 115,000 sq ft building that will be divided into 10-20,000 sq ft units for lease. The Laurel Bay development has been approved and is going through site planning, it will bring over 900 new housing units and a 53,000 sq ft grocery store anchored shopping center to an area of the City that is lacking a neighborhood grocery store. Goose Creek continues to see strong retail activity and low availability of space, especially when it comes to second generation restaurant space.

Businesses continue to utilize the sign and façade grants to help improve the look of the City. Council also recently approved an extension to the sign grant and an additional dumpster screening grant to help businesses meet new regulations that will come into effect in 2029.

The city continues to implement an Automated Meter Reading (AMR) program. During this past year, 574 new AMR meters were installed. All residential meters have been updated, there are 24 commercial manual read meters that still need to be upgraded.

In 2025, 1,748 meters were upgraded to Neptune radio meters. The Water Department will continue to install Neptune meters to ensure efficiency in billing and reading until all meters are upgraded. Neptune meters and software will provide a better customer service tool in the future. A total of 4 data collectors are in place and we have started reading remotely and are able to data log customers inquiries.

The General Fund 2026 budget reflects an increase of $21,819,746, or 46.1%, in revenues and $21,734,735, or 45.9%, in expenditures compared to the approved 2025 budget. A significant portion of this increase is attributable to the planned use of fund balance for capital projects totaling $16,388,052, with corresponding budgeted expenditures. Excluding the use of fund balance for capital projects, recurring General Fund revenues increased by $5,245,694, or 11.6%, compared to the prior year. The increase in recurring revenues is primarily attributable to growth in Local Option Sales Tax revenues of $848,364, along with anticipated increases in permit revenue and business license collections.

The 2026 General Fund expenditure budget continues to prioritize strengthening public safety operations within the Police and Fire Departments, while also expanding and enhancing municipal services provided to the community.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Goose Creek
Chief Financial Officer
Post Office Drawer 1768
Goose Creek, South Carolina 29445

FINANCIAL SECTION

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 50,293,094	$ 14,659,236	$ 64,952,330
Cash and cash equivalents - restricted	11,899,618	-	11,899,618
Receivables, net			
Taxes	2,958,614	272,460	3,231,074
Accounts receivable	3,192,492	795,982	3,988,474
Fines	1,030,202	-	1,030,202
Due from county treasurer	5,515,287	319,078	5,834,365
Due from other governments	3,325,969	-	3,325,969
Internal balances	189,107	(189,107)	-
Inventories	170,006	211,307	381,313
Prepaid expenses	1,383,509	1,500	1,385,009
Total current assets	79,957,898	16,070,456	96,028,354
Noncurrent assets			
Deposit on capital asset	10,234	-	10,234
Capital assets			
Non-depreciable	21,885,979	2,676,703	24,562,682
Depreciable, net of accumulated depreciation and amortization	49,924,854	84,626,855	134,551,709
Total noncurrent assets	71,821,067	87,303,558	159,124,625
Total assets	151,778,965	103,374,014	255,152,979
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	5,959,534	817,261	6,776,795
Total deferred outflows of resources	5,959,534	817,261	6,776,795
LIABILITIES			
Current liabilities			
Accounts payable	1,452,338	211,499	1,663,837
Retainage payable	366,056	-	366,056
Accrued salaries and related liabilities	1,506,370	273,191	1,779,561
Escrow payable	109,619	-	109,619
Unearned revenue	-	572,840	572,840
Due to developers	-	91,950	91,950
Accrued interest payable	53,397	18,571	71,968
Compensated absences	1,894,747	356,204	2,250,951
Current portion of bonds payable	1,484,655	-	1,484,655
Current portion of notes payable	129,036	366,094	495,130
Current portion of financed purchases payable	-	249,477	249,477
Total current liabilities	6,996,218	2,139,826	9,136,044
Noncurrent liabilities			
Net pension liability	26,129,024	5,177,935	31,306,959
Notes payable net of current portion	24,700	3,826,356	3,851,056
Financed purchases payable net of current portion	-	390,860	390,860
Bonds payable net of current portion	5,669,818	-	5,669,818
Total noncurrent liabilities	31,823,542	9,395,151	41,218,693
Total liabilities	38,819,760	11,534,977	50,354,737
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future years	6,914,605	665,091	7,579,696
Business licenses collected in advance	3,853,536	-	3,853,536
Related to pensions	2,317,461	380,578	2,698,039
Total deferred inflows of resources	13,085,602	1,045,669	14,131,271
NET POSITION			
Net investment in capital assets, net of debt	65,987,279	82,470,771	148,458,050
Restricted			
Public safety	2,970,991	-	2,970,991
Tourism	5,042,207	-	5,042,207
Public art	84,149	-	84,149
Capital projects	18,665,281	-	18,665,281
Unrestricted	13,083,230	9,139,858	22,223,088
Total net position	$ 105,833,137	$ 91,610,629	$ 197,443,766

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes Primary Government: Governmental Activities	Net (Expense) Revenue and Changes Primary Government: Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
Legislative	$ 419,948	$ -	$ -	$ -	$ (419,948)	$ -	$ (419,948)
Human resources	608,889	-	-	-	(608,889)	-	(608,889)
Administrative	6,161,454	19,006,520	3,669	-	12,848,735	-	12,848,735
Police	16,884,419	1,323	1,906,468	231,245	(14,745,383)	-	(14,745,383)
Fire	11,911,887	1,271,745	-	2,073	(10,638,069)	-	(10,638,069)
Sanitation	2,128,987	2,791,068	-	-	662,081	-	662,081
Recreation	49,574	-	-	28,086	(21,488)	-	(21,488)
Maintenance	2,796,423	-	-	90,000	(2,706,423)	-	(2,706,423)
Garage	728,857	-	-	4,000	(724,857)	-	(724,857)
Court	704,037	-	560	-	(703,477)	-	(703,477)
Planning	1,515,802	20,870	-	-	(1,494,932)	-	(1,494,932)
Economic development	267,512	-	-	33,667,926	33,400,414	-	33,400,414
Information and technology	1,721,362	-	-	-	(1,721,362)	-	(1,721,362)
Interest and other charges	174,470	-	-	-	(174,470)	-	(174,470)
Total governmental activities	46,073,621	23,091,526	1,910,697	34,023,330	12,951,932	-	12,951,932
Business-type activities							
Water	8,093,905	8,381,507	-	18,986,312	-	19,273,914	19,273,914
Recreation	8,334,146	4,180,008	-	-	-	(4,154,138)	(4,154,138)
Interest and fiscal charges	103,316	-	-	-	-	(103,316)	(103,316)
	16,531,367	12,561,515	-	18,986,312	-	15,016,460	15,016,460
	$ 62,604,988	$ 35,653,041	$ 1,910,697	$ 53,009,642	12,951,932	15,016,460	27,968,392
GENERAL REVENUES							
Taxes							
Property, including fee in lieu of taxes					8,104,286	773,394	8,877,680
Local option sales tax					10,832,939	-	10,832,939
Hospitality tax					3,157,384	-	3,157,384
Franchise tax					3,584,861	-	3,584,861
State funds					1,303,500	-	1,303,500
Grants and contributions					63,065	4,000	67,065
Interest income					2,017,756	434,989	2,452,745
Gain on sale of capital assets					12,858	2,585	15,443
Miscellaneous					2,088,637	277,895	2,366,532
Total general revenues					31,165,286	1,492,863	32,658,149
Transfers					(5,299,927)	5,299,927	-
Change in net position					38,817,291	6,792,790	45,610,081
Net position, beginning of year					67,015,846	69,801,379	136,817,225
Net position, end of year					$ 105,833,137	$ 76,594,169	$ 182,427,306

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Local Hospitality Tax Fund	NonMajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 45,039,505	$ 4,676,089	$ 577,500	$ 50,293,094
Cash and cash equivalents - restricted	-	-	11,899,618	11,899,618
Receivables, net				
Taxes	2,958,614	-	-	2,958,614
Accounts receivable	2,905,886	286,606	-	3,192,492
Fines	885,493	-	144,709	1,030,202
Inventories	170,006	-	-	170,006
Prepaid expenses	1,383,509	-	-	1,383,509
Deposit on capital outlay	-	10,234	-	10,234
Due from county treasurer	5,515,287	-	-	5,515,287
Due from other governments	3,287,438	-	38,531	3,325,969
Due from other funds	1,063,528	-	7,279,527	8,343,055
Total assets	$ 63,209,266	$ 4,972,929	$ 19,939,885	$ 88,122,080
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,426,849	$ 25,385	$ 104	$ 1,452,338
Retainage payable	366,056	-	-	366,056
Accrued salaries and related liabilities	1,476,614	15,220	14,536	1,506,370
Escrow payable	69,414	-	40,205	109,619
Due to other funds	7,983,436	43,514	126,998	8,153,948
Total liabilities	11,322,369	84,119	181,843	11,588,331
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	6,914,605	-	-	6,914,605
Business licenses collected in advance	3,853,536	-	-	3,853,536
Unavailable revenues - intergovernmental	3,678,527	-	144,709	3,823,236
Total deferred inflows of resources	14,446,668	-	144,709	14,591,377
FUND BALANCES				
Nonspendable	1,553,515	-	-	1,553,515
Restricted				
Public safety	2,217,604	-	753,387	2,970,991
Tourism	-	4,888,810	153,397	5,042,207
Public art	-	-	84,149	84,149
Capital projects	-	-	18,665,281	18,665,281
Committed for:				
Tree replacement	861,708	-	-	861,708
Assigned				
Capital projects	16,388,052	-	-	16,388,052
Unassigned	16,419,350	-	(42,881)	16,376,469
Total fund balances	37,440,229	4,888,810	19,613,333	61,942,372
Total liabilities, deferred inflows of resources, and fund balances	$ 63,209,266	$ 4,972,929	$ 19,939,885	$ 88,122,080

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total fund balance - governmental funds		$ 61,942,372
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some receivables will be collected after year-end, but are not available soon enough to pay for the current periods' expenditures and deferred outflows in the funds.		
Unavailable revenues - intergovernmental		3,823,236
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental funds.		71,810,833
Long-term liabilities, related deferred charges on bond refunding, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Interest payable	$ (53,397)	
Compensated absences	(1,894,747)	
Due within a year	(1,613,691)	
Due in more than a year	(5,694,518)	(9,256,353)
Pension liability, net of related deferred inflows and outflows, represents the proportionate share of the future unfunded costs associated with the City's participation in the South Carolina Retirement System		(22,486,951)
Total net position		$ 105,833,137

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Local Hospitality Tax Fund	NonMajor Governmental Funds	Total Governmental Funds
REVENUES				
Local revenues				
Property taxes	$ 8,104,286	$ -	$ -	$ 8,104,286
Licenses and permits	16,288,231	3,157,384	-	19,445,615
Franchise taxes	3,584,861	-	-	3,584,861
Charges for services	5,201,325	-	-	5,201,325
Fines and forfeitures	546,969	-	76,395	623,364
Miscellaneous revenues	3,450,589	275,985	1,961,639	5,688,213
Total local revenues	37,176,261	3,433,369	2,038,034	42,647,664
State revenues	12,863,185	-	505,209	13,368,394
Federal revenues	29,997	-	15,561	45,558
Total revenues	50,069,443	3,433,369	2,558,804	56,061,616
EXPENDITURES				
Current				
Legislative	452,729	-	-	452,729
Human resources	639,281	-	-	639,281
Administrative	2,744,945	1,309,671	1,610,695	5,665,311
Police	15,314,329	-	402,401	15,716,730
Fire	10,313,214	-	-	10,313,214
Sanitation	2,040,596	-	-	2,040,596
Recreation	-	-	49,574	49,574
Maintenance	2,089,161	-	-	2,089,161
Garage	758,944	-	-	758,944
Court	747,823	-	-	747,823
Planning	1,633,614	-	-	1,633,614
Economic development	282,107	-	-	282,107
Information technology	1,673,804	-	-	1,673,804
Capital outlay	9,488,343	1,198,337	12,220,268	22,906,948
Debt service				
Principal	-	862,868	905,932	1,768,800
Interest	-	124,864	37,741	162,605
Total expenditures	48,178,890	3,495,740	15,226,611	66,901,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,890,553	(62,371)	(12,667,807)	(10,839,625)
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	41,529	-	-	41,529
Proceeds from the sale of assets	73,602	-	-	73,602
Special assessment contribution	-	-	25,270,000	25,270,000
Transfers in	780,000	-	1,036,424	1,816,424
Transfers out	(4,100,686)	(60,000)	(47,076)	(4,207,762)
Total other financing sources (uses)	(3,205,555)	(60,000)	26,259,348	22,993,793
Net changes in fund balances	(1,315,002)	(122,371)	13,591,541	12,154,168
FUND BALANCES				
Beginning of year	38,755,231	5,011,181	6,021,792	49,788,204
End of year	$ 37,440,229	$ 4,888,810	$ 19,613,333	$ 61,942,372

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - governmental funds		$ 12,154,168
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Expenditures for capital assets	$ 22,906,948	
Contribution of capital assets to business-type activities	(2,908,589)	
Difference between gain on capital assets and actual proceeds	(60,744)	
Depreciation expense	(3,662,680)	
Donated infrastructure	8,397,926	24,672,861
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Bond principal payment		1,768,800
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest on debt	(11,865)	
Change in compensated absences	(459,835)	
Change in Pension liability and related deferred inflows/outflows	286,251	(185,449)
Some receivables will not be collected for several months after the City's fiscal year-end; they are not considered "available" revenues in the governmental funds.		
Change in state aid to subdivisions	29,654	
Change in state accommodations tax	1,215	
Change in fines and forfeitures	(119,293)	
Change in EMS revenue	302,783	
Change in SRO grant	192,552	406,911
Change in net position		$ 38,817,291

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Water	Recreation	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 10,129,781	$ 4,529,455	$ 14,659,236
Accounts receivable, net	765,336	30,646	795,982
Taxes receivable, net	-	272,460	272,460
Due from county treasurer	-	319,078	319,078
Prepaid expenses	-	1,500	1,500
Inventories	165,431	45,876	211,307
Total current assets	11,060,548	5,199,015	16,259,563
Noncurrent assets			
Non-depreciable	696,740	1,979,963	2,676,703
Depreciable, net of accumulated depreciation and amortization	51,935,674	32,691,181	84,626,855
Total noncurrent assets	52,632,414	34,671,144	87,303,558
Total assets	63,692,962	39,870,159	103,563,121
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	251,197	566,064	817,261
Total deferred outflows of resources	251,197	566,064	817,261
LIABILITIES			
Current liabilities			
Accounts payable	138,597	72,902	211,499
Accrued salaries and related liabilities	89,536	183,655	273,191
Accrued interest payable	12,577	5,994	18,571
Due to other funds	34,401	154,706	189,107
Unearned revenue	186,000	386,840	572,840
Compensated absences	111,785	244,419	356,204
Due to developers	91,950	-	91,950
Current portion of notes payable	366,094	-	366,094
Current portion of financed purchases payable	-	249,477	249,477
Total current liabilities	1,030,940	1,297,993	2,328,933
Noncurrent liabilities			
Net pension liability	1,591,514	3,586,421	5,177,935
Notes payable net of current portion	3,826,356	-	3,826,356
Financed purchases payable net of current portion	-	390,860	390,860
Total noncurrent liabilities	5,417,870	3,977,281	9,395,151
Total liabilities	6,448,810	5,275,274	11,724,084
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	116,976	263,602	380,578
Property taxes levied for future years	-	665,091	665,091
Total deferred inflows of resources	116,976	928,693	1,045,669
NET POSITION			
Net investment in capital assets, net of debt	48,439,964	34,030,807	82,470,771
Unrestricted	8,938,409	201,449	9,139,858
Total net position	$ 57,378,373	$ 34,232,256	$ 91,610,629

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Water	Recreation	Total
OPERATING REVENUES			
Property taxes	$ -	$ 773,394	$ 773,394
Charges for services and sales	8,381,507	4,180,008	12,561,515
Miscellaneous	75,506	202,389	277,895
Total operating revenues	8,457,013	5,155,791	13,612,804
OPERATING EXPENSES			
Salaries and related expenses	1,831,519	3,559,549	5,391,068
Cost of goods sold	1,205,840	188,043	1,393,883
Administrative	586,362	608,556	1,194,918
Contractual services	647,478	843,264	1,490,742
Materials and supplies	569,565	730,862	1,300,427
Repairs and maintenance	625,889	222,052	847,941
Depreciation and amortization	2,582,444	1,776,056	4,358,500
Utilities	44,808	405,764	450,572
Total operating expenses	8,093,905	8,334,146	16,428,051
OPERATING INCOME	363,108	(3,178,355)	(2,815,247)
NONOPERATING REVENUES (EXPENSES)			
Interest income	284,673	150,316	434,989
Gain on disposal of assets	410	2,175	2,585
Grant revenues	610,623	-	610,623
Interest expense	(73,172)	(30,144)	(103,316)
Nonoperating income	822,534	122,347	944,881
INCOME BEFORE CAPITAL GRANTS, CONTRIBUTIONS AND TRANSFERS	1,185,642	(3,056,008)	(1,870,366)
Capital grants and contributions	18,379,689	2,908,589	21,288,278
Transfers in	-	3,111,338	3,111,338
Transfers out	(600,000)	(120,000)	(720,000)
Total contributions and transfers	17,779,689	5,899,927	23,679,616
Change in net position	18,965,331	2,843,919	21,809,250
NET POSITION			
Beginning of year	38,413,042	31,388,337	69,801,379
End of year	$ 57,378,373	$ 34,232,256	$ 91,610,629

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Water	Recreation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 8,035,015	$ 5,229,180	$ 13,264,195
Payments to suppliers	(3,711,006)	(3,068,888)	(6,779,894)
Payments to employees	(1,836,905)	(4,174,294)	(6,011,199)
Internal activity-payments to other funds	(114,624)	280,704	166,080
Net cash provided by (used in) operating activities	2,372,480	(1,733,298)	639,182
CASH FLOWS FROM NONCAPITAL ACTIVITIES			
Transfers to and from other funds	(600,000)	2,991,338	2,391,338
Nonoperating grants	610,623	-	610,623
Net cash provided by noncapital and related financing activities	10,623	2,991,338	3,001,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(817,402)	(185,981)	(1,003,383)
Proceeds from sale of capital assets	410	2,175	2,585
Principle payments on leases	-	(1,473)	(1,473)
Principle payments on financed purchases	-	(254,823)	(254,823)
Principle payments on notes	(359,578)	-	(359,578)
Interest paid	(73,172)	(30,144)	(103,316)
Net cash used in capital and related financing activities	(1,249,742)	(470,246)	(1,719,988)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	284,673	150,316	434,989
Net cash provided by investing activities	284,673	150,316	434,989
Net increase in cash, cash equivalents and restricted cash	1,418,034	938,110	2,356,144
CASH AND CASH EQUIVALENTS			
Beginning of year	8,711,747	3,591,345	12,303,092
End of year	$ 10,129,781	$ 4,529,455	$ 14,659,236
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ 363,108	$ (3,178,355)	$ (2,815,247)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation and amortization	2,582,444	1,776,056	4,358,500
Decrease (increase) in:			
Accounts and taxes receivable, net	(123,498)	75,939	(47,559)
Due from county treasurer	-	(38,393)	(38,393)
Inventories	(1,862)	1,893	31
Deferred outflows of resources	(25,624)	42,481	16,857
Increase (decrease) in:			
Accounts payable	(22,856)	(70,568)	(93,424)
Accrued salaries and compensated absenses payable	25,298	84,667	109,965
Accrued interest	(6,346)	(1,672)	(8,018)
Due to (from) other funds	(114,624)	280,704	166,080
Pension liability	81,309	(487,776)	(406,467)
Deferred inflows of resources	(86,369)	(254,117)	(340,486)
Unearned revenue	(298,500)	35,843	(262,657)
Net cash provided by (used in) operating activities	$ 2,372,480	$ (1,733,298)	$ 639,182
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributed capital assets	$ 18,379,689	$ -	$ 18,379,689
Purchase of capital assets by other funds	-	2,908,589	2,908,589
	$ 18,379,689	$ 2,908,589	$ 21,288,278

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2025

	Custodial Fund
	Fireman's 1%
ASSETS	
Cash and cash equivalents	$ 39,384
Total assets	39,384
LIABILITIES	
Due to others	682
Total liabilities	682
NET POSITION	
Restricted	
Individuals, organizations, and other governments	38,702
	$ 38,702

The accompanying notes are an integral part of the financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2025

	Custodial Fund
	Fireman's 1%
ADDITIONS	
Insurance premium tax	$ 137,542
Miscellaneous	168
Total additions	137,710
DEDUCTIONS	
Fees paid to other governments	159,999
Other custodial disbursements	10,373
Total deductions	170,372
Change in net position	(32,662)
NET POSITION	
Beginning of year	71,364
End of year	$ 38,702

The accompanying notes are an integral part of the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Goose Creek, South Carolina (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City operates under a charter originally granted by the State of South Carolina on March 22, 1961. The City was incorporated according to Section 47-22 of the 1962 Code, as amended, on May 6, 1976. The City adopted the Mayor-Council form of government as described in the Code of Laws of South Carolina 1976, Section 5-9-40. The Mayor and six-member Council for the City serve overlapping terms of four years.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended, which defines a primary government as an entity with a governing body elected in a general election and which is legally separate and fiscally independent. Any entity which does not meet the above fiscally independent entity whose governing body is a council whose members are elected in a general election and should therefore be considered a primary government. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

In conformity with generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit. Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are appropriately presented as funds of the primary government.

Blended Component Unit

The Goose Creek Municipal Finance Corporation (the "Corporation") is a separately administered organization controlled by and dependent on the City. The Corporation is a South Carolina not-for-profit corporation and is exempt from income taxation under Internal Revenue Code Section 501(c)(3). The Corporation has been organized exclusively for public and charitable purposes, specifically to carry out the acquisition and construction of capital assets, issuance of bonds to finance the construction of the capital projects, and to own and lease the facilities to the City for essential governmental functions in connection with tax exempt lease purchase financing of such facilities.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Board of Directors of the Corporation are:

Name	Officer
Natalie Zeigler - City Administrator	President
Gregory Habib - Mayor	Vice President
Tyler Howanyk - Finance Director	Treasurer/ Secretary

The Goose Creek Municipal Finance Corporation is reported as a Capital Projects Fund and does not issue separate financial statements.

Government-wide and Fund Financial Statements

Government-wide statements
The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Fund Financial Statements
The fund financial statements provide information about the government's funds, including its fiduciary fund and blended component unit, when applicable. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Major Funds
The City reports the following major governmental funds:

> The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The *Local Hospitality Tax Fund* is a special revenue fund used to account for taxes collected on the sales of prepared meals and beverages sold in establishments. The expenditures of these taxes must be related to or for the promotion of tourism.

The City reports the following major proprietary funds:

The *Water Department Fund* accounts for the operations and maintenance of the water system managed by the City.

The *Recreation Department Fund* accounts for the operations and maintenance of the recreation facilities managed by the City as well as the Crowfield Golf Club.

Nonmajor Funds
In addition, the City reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, fire and other special purpose fees.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital projects, other than those financed by proprietary funds.

The Fiduciary Fund is used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Fiduciary fund is custodial in nature and is not reflected in the government-wide financial statements because the resources are not available to support the City's own programs.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/ to other funds and advances to/ from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal services funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/ out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State-levied shared taxes are recognized as revenue in the year appropriated by the state.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are considered to be measurable if the amount is known or reasonably estimable at year-end. The following revenue sources are deemed both measurable and available if collected within 60 days of year-end: delinquent property taxes, investment earnings, fines and forfeitures, state-levied locally shared taxes, insurance taxes, certain charges for services such as sanitation fees, and grant revenues for which all eligibility requirements imposed by the provider have been met. Permits, vehicle and some franchise taxes, licenses, and miscellaneous revenues, although they may be available within 60 days of year-end are considered to be measurable only when cash is received by the City.

Expenditures generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leases and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Proceeds of general long-term debt and proceeds for acquisitions under leases are reported as other financing sources.

The fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

Deposits and Cash and Cash Equivalents

The *deposits* classification is used only in the notes, not on the face of the statement of net position of balance sheet. Deposits include only cash on hand, pooled money market funds and certificates of deposit.

The City considers *cash and cash equivalents* to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.

The City did not have any investments as of December 31, 2025.

Receivables and Payables

Transactions between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/ payables, i.e., the current portion of interfund loans, or advances to/ from other funds, i.e., the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/ from other funds.

Advances between funds are offset by a nonspendable fund balance account in the General Fund to indicate they are not available for appropriation and are not expendable available financial resources. Advances to other funds are reported as either restricted, committed or unassigned fund balance.

Taxes receivable shown are comprised of delinquent real property taxes, net of an allowance for uncollectible accounts, and the January 2025 property tax assessment levied for the 2026 fiscal year, which deferred in the General Fund and the Recreation Department Enterprise Fund. The current property tax receivable allowance for uncollectible accounts is estimated at one percent of the current property tax levy.

All trade and accounts receivable are reported net of an allowance for the uncollectible amounts. The City computes the allowance for uncollectible amounts based on an estimate of collections within each aging category of receivables.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories and Prepaid Items

Inventories of the General Fund are valued at cost determined by the first-in, first-out method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expenditure when consumed rather than when purchased. Inventory items consist of various types of fuel and replacement parts for vehicles and equipment.

Inventories of the Enterprise Funds are recorded at cost determined by the first-in, first-out method. Inventory items consist of supplies used to install water systems and merchandise to be sold at the Crowfield Golf Club.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/ expenses when consumed rather than when purchased.

Capital Assets

Capital assets and right-to-use leased assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Assets with individual values under $5,000 are considered capital assets if purchased in bulk and acquired by issuance of financed purchase and lease obligations. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their respective acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Depreciation and amortization is provided using the straight-line method over the following estimated useful lives:

Asset	Year
Buildings	40 - 50
Improvements	15 - 30
Land improvements	10 - 20
Vehicles	5 - 15
Software	5
Mast arms	20
Equipment and computers	5 - 15
Water systems	20 - 40
Streetscapes	5 - 20
Infrastructure	20 - 30
Right-to-use lease equipment	5

Leases

The City is a lessee for noncancellable leases of several pieces of equipment for the Golf and Recreation departments. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and Recreation Department Fund financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Impact Fee

Pursuant to Chapter 156 of the City of Goose Creek Code of Ordinances, development impact fees are assessed on new development and redevelopment within the city limits and are accounted for in separate trust funds by fee category. Development impact fee revenues may be used only for eligible capital improvements and system improvements identified in the City's Capital Improvements Plan (CIP), including design and construction plan preparation, right-of-way acquisition, construction of new facilities and amenities that provide additional capacity, qualifying equipment purchases exceeding $100,000, construction of drainage facilities associated with capital improvements, and debt service related to public facilities. Development impact fee funds are expended in the order collected, and disbursement of funds requires approval of City Council upon recommendation of the City Administrator or designee. Impact fee funds not obligated for expenditure within three years of the scheduled expenditure date identified in the CIP must be refunded, with actual interest earned, to the record owner of the property for which the fees were collected on a first-in, first-out basis.

Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows of Resources
In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period (s) and so will not be recognized as an outflow of resources (expense/ expenditures) until then. The City has four items that qualify for reporting in this category, which are related to pension obligations as follows:

- Pension contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year.

- The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.

- Changes in actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members.

- The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Deferred Inflows of Resources
In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Business licenses collected and property taxes billed and/or collected in advance of the year for which levied or imposed.
- The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
- The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
- The net difference between the projected and actual earnings on pension plan investments, which is deferred and amortized over a closed five-year period.

The government also has deferred inflows of resources which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from state aid to subdivisions, uncollected EMS fees, court fines and forfeitures, and property taxes collected in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

Unearned Revenue
The City also defers revenue recognition in connection with resources that have been billed or received, but not yet earned, such as memberships and gift certificates, and grants received in advance with certain unfulfilled eligibility requirements, when applicable.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS) and additions to/ deductions from the SCRS’ and PORS’ fiduciary net position have been determined on the accrual basis of accounting as they are reported by SCRS and PORS, respectively, in accordance with Generally Accepted Accounting Principles (GAAP).

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balance
Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution or passage of an ordinance. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent can be expressed by City Council or by an official or body to which City Council delegates the authority. The City Council has delegated such authority to the City Administrator.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balance Policy – The City strives to maintain a minimum unassigned fund balance and unrestricted net position in various funds for the purpose of floating the City's operations in times of temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities.

The minimum fund balances are based on a percentage of the subsequent years budgeted expenditures in the fund. The minimum fund balances are as follows:

General Fund	25%
Water Department Enterprise Fund	20%
Recreation Department Enterprise Fund	10%

Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure 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.

Revenues and Expenditures/Expenses

Program Revenues – Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes and Sanitation Fees – Property taxes attach as an enforceable lien on property as of January 1 of the current year. Taxes levied and billed the following September on all property other than vehicles and are payable without penalty by January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16th – 3%; February 2nd – an additional 7%; March 16th – additional 5%. If not paid by October 1st, the property is subject to sale by the Berkeley County Delinquent Tax Office. Berkeley County bills and collects current and delinquent property taxes under contractual agreements with the City. The City tax revenues are recognized in the period for which they are levied; therefore, revenue recognition is deferred. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license is up for renewal and are, therefore, recognized as revenue when cash is received by the City.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Taxes recognized as revenue and used for the 2025 calendar year are based on property assessed as of July 2024 and billed in September 2024. The City tax rate to finance general governmental services for the year ended December 31, 2025, was set at 60 mills ($6.00 per $100 assessed valuation) for general uses and purposes of the City. The assessed valuation of properties, exclusive of vehicles (valued at $30,087,080) within the City's district as of December 31, 2025, was $263,193,930 according to records of the Berkeley County Auditor. The City's levy on property assessed as of July 2025, and billed in September 2025, will generate taxes to be used for the 2026 calendar year. Although a receivable is recorded at December 31, 2025, such revenue is recorded as a deferred inflow of resources.

The City levies the sanitation fees for permanent improvements and for the purpose of paying current expenditures of the City. Revenue is recognized when fees are received during the current calendar year or within 60 days subsequent to year-end. The sanitation fee rate is $165 on every single-family occupied residential lot within the corporate limits of the City. Berkeley County bills and collects sanitation fees under a contractual agreement with the City.

Compensated Absences

Vacation – The City's policy permits employees to accumulate earned but unused vacation benefits. Those benefits are eligible for payment upon separation from service in accordance with applicable personnel policies and employee agreements. The liability for such leave is reported in the government-wide and proprietary fund financial statements as incurred. In the governmental funds, a liability is recognized only to the extent that it has matured and is expected to be liquidated with expendable available financial resources. The liability for compensated absences includes salary-related benefits.

Sick Leave – Accumulated sick leave is carried in accordance with the City's personnel policies. To the extent accumulated sick leave is more likely than not to be used as paid leave or otherwise paid or settled, the related liability is recognized in the government-wide and proprietary fund financial statements. Amounts not expected to be paid or settled are not reported as a liability. If accumulated sick leave is forfeited upon separation from service, no monetary obligation is recognized for amounts not expected to be used prior to forfeiture.

Proprietary Fund Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

New Accounting Pronouncements

Compensated Absences – In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which supersedes GASB Statement No. 16. This new standard establishes a unified model for the recognition, measurement, and disclosure of compensated absences. A significant change in the standard is a shift from a "probable" to a "more likely than not" threshold for recognizing and measuring the liability. The City adopted GASB Statement No. 101 effective for its fiscal year beginning January 1, 2025.

The Governmental Accounting Standards Board (GASB) issued Statement No. 102, Certain Risk Disclosures, to amend National Council on Governmental Accounting (NCGA) Interpretation 6, Notes to the Financial Statement Disclosure, specifically paragraph 5. This standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations and constraints, providing essential information for users of government financial statements to analyze data for decision-making or assessing accountability. The City has evaluated its financial position and operations and determined that no concentrations or constraints meet the criteria for disclosure under this standard. Therefore, no additional disclosure is required.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations and Deficit Fund Balance

For the year ended December 31, 2025, expenditures exceeded appropriations for the following functions:

Fund	Function	Excess Expenditures
General	Human resources	$ 51,118
General	Police	86,318
General	Maintenance	25,451
General	Garage	1,859
General	Economic development	34,559
General	Information technology	29,493
General	Capital outlay	5,627,804

The over expenditures in the General Fund were funded by greater than anticipated revenues, transfers in from other funds, and the use of available fund balance.

For the year ended December 31, 2025, the City reported a deficit fund balance of $42,881 in the Victims' Assistance Fund. The deficit will be reduced with future revenues and transfers from other funds.

NOTE 3 – CASH AND INVESTMENTS

Total deposits and investments as of December 31, 2025, are summarized as follows:

Statement of Net Position	
Cash	$ 64,952,330
Restricted cash	11,899,618
Total cash	76,851,948
Statement of Fiduciary Net Position	
Cash	39,384
	$ 76,891,332
Cash deposited with financial institutions	$ 12,621,324
South Carolina Local Governmental Investment Pool	64,270,008
	$ 76,891,332

At December 31, 2025, the City's pooled cash included local government pools, which is managed by the State of South Carolina. The fair value of its position in the pool is the same as the value of the pool shares.

Under State law, the City is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, banks and savings and loan associations to the extent insured by an agency of the federal government, and/ or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. However, South Carolina state statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina and political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. As of December 31, 2025, the City's bank balance of $14,391,103 was fully insured or collateralized by government investments held by the pledging financial institution's trust department or agent in the City's name.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposures to fair value losses arising from increasing interest rates.

(Continued)

NOTE 3 – CASH AND INVESTMENTS, Continued

Credit Risk – Investments
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted an investment policy in accordance with state statutes, which authorizes the City to invest in the following:

- Obligations of the United States and agencies thereof;

- 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 a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;

- General obligations of the State of South Carolina or any of its political units;

- Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;

- Certificates of deposit and repurchase agreement collateralized 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 certificates of deposit and repurchase agreements so secured, including interest; and

- No-load open and 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.

In addition, South Carolina state statutes authorize the City to invest in the South Carolina Local Government Investment Pool (LGIP). The LGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The LGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services.

As of December 31, 2025, the City did not have any investments.

(Continued)

NOTE 3 – CASH AND INVESTMENTS, Continued

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial Credit Risk – Investments

For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal investment policy to address custodial credit risk.

NOTE 4 – RECEIVABLES

Receivables as of December 31, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			Enterprise Funds	
	General Fund	Local Hospitality Tax Fund	Nonmajor Governmental Funds	Water Department	Recreation Department
Receivables:					
Current taxes	$ 2,721,543	$ -	$ -	$ -	$ 279,178
Delinquent taxes	223,389	-	-	-	28,145
Sanitation fees	306,915	-	-	-	-
Total taxes	3,251,847	-	-	-	307,323
Fines	2,380,027	-	427,881	-	-
Accounts	4,200,537	286,606	-	1,377,176	30,646
Gross receivables	9,832,411	286,606	427,881	1,377,176	337,969
Less allowance for uncollectibles					
Taxes	(293,233)	-	-	-	(34,863)
Fines	(1,494,534)	-	(283,172)	-	-
Accounts	(1,294,651)	-	-	(611,840)	-
Total allowance	(3,082,418)	-	(283,172)	(611,840)	(34,863)
Net receivables	$ 6,749,993	$ 286,606	$ 144,709	$ 765,336	$ 303,106

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2025, is as follows:

	Receivable Fund	Payable Fund
Governmental Funds		
Major		
General Fund	$ 1,063,528	$ 7,983,436
Local Hospitality Fund	-	43,514
Nonmajor	7,279,527	126,998
Enterprise Funds		
Water Department	-	34,401
Recreation Department	-	154,706
	$ 8,343,055	$ 8,343,055

Interfund balances largely result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The composition of interfund transfers for the year ended December 31, 2025, is as follows:

	Transfers In	Transfers Out
Governmental Funds		
Major		
General Fund	$ 780,000	$ 4,100,686
Local Hospitality Fund	-	60,000
Nonmajor	1,036,424	47,076
Total Governmental Funds	1,816,424	4,207,762
Enterprise Funds		
Water Department	-	600,000
Recreation Department	3,111,338	120,000
Total Enterprise Funds	3,111,338	720,000
Total Transfers	$ 4,927,762	$ 4,927,762

Transfers are used to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The City also transferred capital assets of $2,908,589 from governmental activities to its business-type activities as noted on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 9,036,336	$ -	$ -	$ -	$ 9,036,336
Construction in progress	4,310,052	12,659,469	-	(4,119,878)	12,849,643
Total	13,346,388	12,659,469	-	(4,119,878)	21,885,979
Capital assets, being depreciated:					
Buildings	28,107,100	-	-	1,052,309	29,159,409
Improvements	2,141,256	39,805	-	88,406	2,269,467
Vehicles	12,775,885	853,526	(386,191)	-	13,243,220
Mast arms	1,552,908	-	-	-	1,552,908
Equipment and computers	4,056,736	474,319	(187,068)	-	4,343,987
Streetscapes	7,117,167	56,483	-	35,752	7,209,402
Software	886,977	7,542	(104,063)	34,822	825,278
Infrastructure	3,199,857	17,213,729	-	-	20,413,586
Total	59,837,886	18,645,404	(677,322)	1,211,289	79,017,257
Less accumulated depreciation for:					
Buildings	(9,330,935)	(640,966)	-	-	(9,971,901)
Improvements	(1,407,069)	(80,263)	-	-	(1,487,332)
Vehicles	(5,130,468)	(1,340,203)	386,191	-	(6,084,480)
Mast arms	(1,353,506)	(54,533)	-	-	(1,408,039)
Equipment and computers	(2,263,232)	(429,634)	176,621	-	(2,516,245)
Streetscapes	(3,922,220)	(371,989)	-	-	(4,294,209)
Software	(513,314)	(98,509)	53,766	-	(558,057)
Infrastructure	(2,125,557)	(646,583)	-	-	(2,772,140)
Total	(26,046,301)	(3,662,680)	616,578	-	(29,092,403)
Total capital assets, being depreciated, net	33,791,585	14,982,724	(60,744)	1,211,289	49,924,854
Governmental activities capital assets, net	$ 47,137,973	$ 27,642,193	$ (60,744)	$ (2,908,589)	$ 71,810,833

(Continued)

NOTE 6 – CAPITAL ASSETS, Continued

Capital asset activity for the business-type activities for the year ended December 31,2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 1,956,615	$ -	$ -	$ -	$ 1,956,615
Construction in progress	53,647	701,590	-	(35,149)	720,088
Total	2,010,262	701,590	-	(35,149)	2,676,703
Capital assets, being depreciated:					
Buildings	23,383,669	-	(157,844)	-	23,225,825
Improvements	10,736,408	11,157	-	2,848,602	13,596,167
Land improvements	2,711,289	-	-	59,987	2,771,276
Vehicles	971,736	158,314	(72,231)	-	1,057,819
Software	39,204	132,322	(6,634)	19,645	184,537
Equipment	3,111,103	-	-	15,504	3,126,607
Water system	54,443,568	18,379,689	-	-	72,823,257
Total	95,396,977	18,681,482	(236,709)	2,943,738	116,785,488
Less accumulated depreciation for:					
Buildings	(4,036,138)	(502,834)	157,844	-	(4,381,128)
Improvements	(1,442,560)	(734,875)	-	-	(2,177,435)
Land improvements	(1,481,446)	(95,050)	-	-	(1,576,496)
Vehicles	(720,458)	(101,744)	72,231	-	(749,971)
Software	(39,204)	(1,809)	6,634	-	(34,379)
Equipment	(1,467,279)	(461,073)	-	-	(1,928,352)
Water system	(18,850,857)	(2,460,015)	-	-	(21,310,872)
Total	(28,037,942)	(4,357,400)	236,709	-	(32,158,633)
Total capital assets, being depreciated, net	67,359,035	14,324,082	-	2,943,738	84,626,855
Business-type activities capital assets, net	$ 69,369,297	$ 15,025,672	$ -	$ 2,908,589	$ 87,303,558

(Continued)

NOTE 6 – CAPITAL ASSETS, Continued

Included in current year additions are contributed water systems in the amount of $18,379,689.

Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental activities	
Administrative	$ 547,512
Planning	30,656
Police	753,966
Fire	961,179
Sanitation	238,807
Recreation	183,023
Maintenance	779,380
Garage	31,215
Court	18,275
Information technology	118,667
Total depreciation expense - governmental activities	$ 3,662,680

Business-type activities	
Water Department	$ 2,582,444
Recreation Department	1,774,956
Total depreciation expense - business-type activities	$ 4,357,400

NOTE 7 – UNAVAILABLE REVENUE

The component of unavailable intergovernmental revenue in the Balance Sheet – Governmental Funds as of December 31, 2025, are as follows:

	General	Nonmajor Governmental Funds
Unavailable revenue:		
State aid to subdivisions	$ 622,730	$ -
Fines and forfeitures	885,493	144,709
EMS revenue	1,977,752	-
SRO grant	192,552	-
Total unavailable	$ 3,678,527	$ 144,709

NOTE 8 – LONG-TERM LIABILITIES

The City has the following forms of long-term indebtedness:

Financed Purchases Obligations – The City has entered into Finance-purchase agreements for golf maintenance equipment and gym fitness equipment accounted for in the Recreation Department Fund. Debt service expenditures including principal and interest are reported in the General Fund.

Revenue Bonds – The Installment Revenue Repurchase Bonds are funded by the General Fund and were used for the construction of a fire station and fire headquarters, and the Special Obligation Bonds (Hospitality Fee Pledge) are funded by the Hospitality Tax Fund and were used for the construction of a recreation activity center.

Notes Payable – The City has entered into various note payable agreements with a financial institution for the purchase of three new sanitation trucks, a pumper truck, and equipment for governmental activities. The City has also entered into a note payable agreement with the State of South Carolina State Revolving Loan Fund for the construction of a water system upgrade. The sanitation vehicle note payable, the pumper truck note payable, and the other equipment note payable are reported in the City's governmental activities with the associated debt service expenditures reported in the General Fund. The water system upgrade note payable is accounted for in the Water Department Fund.

Leases Payable – The City has entered into multiple noncancelable leases as the lessee for various golf course and recreation equipment. The liability and right-to-use asset are recorded in the Recreation Fund.

Compensated Absences Payable – These obligations represent accumulated annual leave benefits which were not funded by the current or prior years' revenue resources. These obligations are primarily funded by the General Fund.

Net Pension Liability – The City participates in the South Carolina Retirement System and the Police Officers Retirement System. These plans are discussed in Note 12.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Revenue bonds	$ 8,614,341	$ -	$ (1,459,868)	$ 7,154,473	$ 1,484,655
Notes payable	462,668	-	(308,932)	153,736	129,036
Compensated absences	1,434,912	1,474,536	(1,014,701)	1,894,747	1,894,747
Total long-term liabilities	$ 10,511,921	$ 1,474,536	$ (2,783,501)	$ 9,202,956	$ 3,508,438

(Continued)

NOTE 8 – LONG-TERM LIABILITIES, Continued

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities					
Notes payable	$ 4,552,028	$ -	$ (359,578)	$ 4,192,450	$ 366,094
Financed purchases payable	895,160	-	(254,823)	640,337	249,477
Leases payable	1,473	-	(1,473)	-	-
Compensated absences	281,545	258,204	(183,545)	356,204	356,204
Total long-term liabilities	$ 5,730,206	$ 258,204	$ (799,419)	$ 5,188,991	$ 971,775

Revenue Bonds

Revenue bonds payable at December 31, 2025, is comprised of the following issues:

Installment Purchase Revenue Bonds

In 2020 the Installment Purchase Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), were issued in the amount of $4,889,000 with an interest rate of 1.33%. The proceeds were used to refund the Series 2014 Bonds and pay certain costs relating to the issuance of the Series 2020 Bonds. Annual payments for the Series 2020 Bonds range from $139,462 to $629,201 including interest with a maturity date of March 2029. The amount outstanding of the Series 2020 Bonds as of December 31, 2025, is $1,979,000.

In August 2016, the City issued Special Obligation Bonds (Hospitality Fee Pledge), Series 2016 in the amount of $9,000,000 at 2.220%, for the purpose of the construction of a recreation facility. Annual payments range from $531,905 to $709,207 including interest with a maturity of September 2031. On April 29, 2021, the City issued Special Obligation Bonds (Hospitality Fee Pledge), Series 2021 in the amount of $2,500,000 at 1.490%, to finance the acquisition, construction, or purchase, of recreational facilities, and improvements related thereto, including the revitalization and expansion of Central Creek Park. Annual payments range from $67,250 to $269,830 including interest with a maturity of March 2031. Revenues from the Hospitality Tax Fund will be used to repay these bonds. The amount outstanding as of December 31, 2025, is $5,175,473.

Debt service requirements for the revenue bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 1,484,655	$ 121,691	$ 1,606,346
2027	1,510,750	95,762	1,606,512
2028	1,538,161	69,341	1,607,502
2029	1,073,894	44,185	1,118,079
2030	953,957	24,733	978,690
2031	593,056	6,100	599,156
Total	$ 7,154,473	$ 361,812	$ 7,516,285

(Continued)

NOTE 8 – LONG-TERM LIABILITIES, Continued

Notes Payable

In May 2016, the City entered into an agreement with the South Carolina Water Quality Revolving Fund Authority to borrow funds, not to exceed $8,500,000, to be used to finance the costs of the Water System improvements. The City has granted a pledge of and lien on net revenues of the City's Water System for repayment of the loan. The loan bears a fixed interest rate of 1.80%. Payments are made quarterly and are payable in equal installments of $109,774 over a 20-year period. Draw requests for the loan funds are made once costs for the project have been incurred. In November 2018, the loan was amended after the final draw was made and the project completed. The final loan amount for the project was $7,361,200. The amount outstanding as of December 31, 2025, is $4,192,450.

Debt service requirements for the water system improvement note payable are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 366,094	$ 73,002	$ 439,096
2027	372,728	66,368	439,096
2028	379,483	59,613	439,096
2029	386,360	52,736	439,096
2030	393,361	45,735	439,096
2031-2035	2,076,351	119,129	2,195,480
2036	218,073	1,473	219,546
Total	$ 4,192,450	$ 418,056	$ 4,610,506

In March 2020, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of a new refuse collector. The total amount financed was $475,000 and bears a fixed interest rate of 2.05%. Payments are made quarterly and are payable in installments from $25,049 to $100,195 over a six-year period. The first payment was made in June 2020 and the note matured in December 2025.

In February 2021, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of portable handheld radios for the police department. The total amount financed was $310,000 and bears a fixed interest rate of 1.010%. Payments are made quarterly and are payable in installments of $15,900 over a six-year period. The first payment was made in April 2021 and the notes matures in December 2026. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2025, is $15,861.

(Continued)

NOTE 8 – LONG-TERM LIABILITIES, Continued

In April 2022, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of equipment for the police, fire, and general government departments. The total amount financed was $1,500,000 and bears a fixed interest rate of 2.29%. Payments are made quarterly and are paid in installments from $24,700 to $103,742 over a five-year period. The first payment was made in June 2022 and the note matures in March 2027. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2025, is $137,875.

Debt service requirements for the sanitation trucks, refuse collector, portable handheld radios, alerting system for the fire stations, police vehicles and upfitting, and bucket truck notes payable are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 129,036	$ 2,102	$ 131,138
2027	24,700	141	24,841
Total	$ 153,736	$ 2,243	$ 155,979

Rate Covenants

The City has covenanted to maintain rates and changes for products and services which at all times shall be sufficient to pay operation and maintenance expenses to keep the system in good repair and working order, to provide for the punctual payment of the principal and interest on all outstanding debt, to maintain the required amounts in the debt service and debt service reserve accounts, to build and maintain a reserve for contingencies and improvements, and to discharge all obligations imposed by the bond ordinance.

Financed Purchases Payable

Business-type Activities (Recreation Fund)

In July 2021, the City has entered into a finance purchase agreement for the acquisition of mowing equipment for the Crowfield Gold Club, a division of the Recreation Department. Annual principal and interest payments range from $101,415 to $22,716. The amount outstanding as of December 31, 2025, is $117,481.

In March 2021, the City entered into a finance purchase agreement for the acquisition mowing equipment for the Crowfield Golf Club, a division of the Recreation Department, Annual principal and interest payments range from $10,986 to $2,747. The amount outstanding as of December 31, 2025, is $2,734.

In May 2024, the City entered into a finance purchase agreement for the acquisition of golf carts for the Crowfield Golf Club, a division of the Recreation Department. Annual principal and interest payments range from $42,818 to $493. The amount outstanding as of December 31, 2025, is $520,122.

(Continued)

NOTE 8 – LONG-TERM LIABILITIES, Continued

Year ending December 31,	Principal	Interest	Total
2026	$ 249,477	$ 22,427	$ 271,904
2027	181,595	14,365	195,960
2028	166,447	6,797	173,244
2029	42,818	493	43,311
Total	$ 640,337	$ 44,082	$ 684,419

NOTE 9 – NO-COMMITMENT SPECIAL ASSESSMENT DEBT

The City has issued $25,270,000 of special assessment bonds related to certain development areas for which it is not obligated in any manner; the bonds are payable solely from special assessments levied on benefited properties, bondholders have no recourse to the City's general credit or taxing power, and the City has no legal or moral obligation to use other City resources to repay the bonds. Because the City's responsibility is limited to levying and collecting the special assessments from benefited property owners and remitting amounts to the paying agent or trustee as they come due, this special assessment debt is not reported as a liability in the City's government-wide or governmental fund financial statements. During 2025, the City reimbursed developers $11,975,800 for developer-constructed infrastructure related to these improvements; $8,815,803 has been formally accepted and is reported as infrastructure (capital assets) of governmental activities and $3,159,997 is reported as construction in progress.

NOTE 10 - LEASE ASSETS

Right-To-Use Assets

Lease asset activity for the City's business-type activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Lease asset:				
Equipment	$ 215,740	$ -	$ -	$ 215,740
Total capital assets	215,740	-	-	215,740
Less accumulated amortization:				
Equipment	(214,640)	(1,100)	-	(215,740)
Total accumulated amortization	(214,640)	(1,100)	-	(215,740)
Total lease assets net of accumulated amortization	$ 1,100	$ (1,100)	$ -	$ -

NOTE 11 – OTHER INFORMATION

Commitments and Contingent Liabilities

Grants
Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation
The City is contingently liable with respect to various legal proceedings which occur in the course of governmental operations. It is the opinion of City management, based on the advice of legal counsel on pending litigation, that the ultimate disposition of these claims not covered by insurance will not have material adverse effect on the financial condition of the City.

Construction Commitments
At December 31, 2025, the City had the following construction commitments:

Construction services (Fire Station IV)	$ 5,241,114
Construction services (The Assembly)	$ 7,495,747

Long-term Contract – Water Purchases
On September 13, 1994, the City entered into a 35 year, automatically renewable contract with the Lake Moultrie Water Agency, a joint municipal water system created under the "Joint Municipal Water Systems Act," Section 6-25-10 et. seq. of the South Carolina Code of Laws, 1976. The Agency water supply system became operational in September of 1994.

Under the contract, the City owns 18% of the capacity of the Lake Moultrie Water Agency water supply system for the term of the contract and agrees to purchase and pay for 5.96 million gallons per day of water capacity. Cost per gallon is established annually on a cost of service basis, calculated following the guidelines of the American City Association. Any variances in actual operations costs from the projected costs related to the City's proportionate share are calculated annually, and the City is credited or assessed for any differences at year-end. The City has the right to purchase or sell excess capacity to other contract participants according to need or availability. The current year expenditures for the purchase of water were $1,205,840.

(Continued)

NOTE 11 – OTHER INFORMATION, Continued

The estimated demand and volumetric charges for the next three years are as follows:

Year ending December 31,		Total
2026	$	1,363,123
2027		1,503,595
2028		1,660,727

Long-term Contract – Recreation

In May 2008, the City entered into a contract with the Goose Creek Recreation Commission whereby the City assumed the operations of the Recreation District to provide recreational services to all residents served by the Commission, both within and outside the City. The term of this agreement is 20 years and provides for automatic extensions for additional terms of 20 years each, unless either party, by written notice to the other given at least 24 months prior to the expiration of the then term, elects to withdraw from or terminate this agreement. For these services the City will receive a sum no more than the equivalent of the sum represented by applying the City's millage rate designated and budgeted for recreational services to all taxable real and personal property located within the boundaries of the District. The transition under this agreement was completed January 1, 2009, and the Recreation Department is accounted for by the City as an enterprise fund.

Risk Management

The City is exposed to various risks of losses related to torts, including theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City is a member of the South Carolina Municipal Insurance and Risk Financing Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The City pays an annual premium to the Municipal Insurance and Risk Financing Fund for its general insurance and workers' compensation. The South Carolina Municipal Insurance and Risk Financing Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The City has not significantly reduced insurance coverages from the previous year and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the City has effectively transferred all risk with no liability for unfunded claims.

NOTE 12 – DEFINED BENEFIT PENSION PLAN

State Retirement Plan

The City participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA").

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, an 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.

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.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

- 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 peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Plan 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. 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.

- 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.

Plan 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.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION 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.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

Plan 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 and PORS 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. Effective July 1, 2017, employee rates were increased and capped at 9 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 included 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.

Required employee contribution rates [1] are as follows:

	Fiscal Year 2026[1]	Fiscal Year 2025[1]
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates[1] are as follows:

	Fiscal Year 2026[1]	Fiscal Year 2025[1]
SCRS		
Employee Class Two	18.56%	18.56%
Employee Class Three	18.56%	18.56%
PORS		
Employee Class Two	21.24%	21.24%
Employee Class Three	21.24%	21.24%

(Continued)

[1] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

Required and actual contributions are as follows:

	Plan's fiscal year ended June 30, 2025	City's fiscal year ended December 31, 2025
SCRS		
Governmental Activities		
Required contributions	$ 1,326,389	$ 1,387,904
Actual contributions	$ 1,326,389	$ 1,387,904
Business-type Activities		
Required contributions	$ 661,604	$ 692,288
Actual contributions	$ 661,604	$ 692,288
PORS		
Governmental Activities		
Required contributions	$ 2,508,155	$ 2,632,292
Actual contributions	$ 2,508,155	$ 2,632,292

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, 2025 is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, 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, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2025.

	SCRS	PORS
Actuarial cost method:	Entry age normal	Entry age normal
Investment rate of return [2]	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) [2]	3.5% to 10.5% (varies by service) [2]
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

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
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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 2025 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.

(Continued)

[2] Includes inflation at 2.25%

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity [3]	46.0%	5.87%	2.70%
Bonds	26.0%	3.20%	0.83%
Private Equity[3]	9.0%	8.50%	0.77%
Private Debt[3]	7.0%	7.40%	0.52%
Real Assets	**12.0%**		
Real Estate[3]	9.0%	5.00%	0.45%
Infrastructure[3]	3.0%	7.70%	0.23%
Total Expected Real Return [4]	100.0%		5.50%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.75%

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.

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.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
Governmental activities			
SCRS	$ 14,296,699	$ 10,579,625	$ 7,486,461
PORS	$ 23,666,877	$ 15,549,399	$ 8,889,810
Business-type activities			
SCRS	$ 6,997,164	$ 5,177,935	$ 3,664,062

(Continued)

[3]RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

[4] Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

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 December 31, 2025, for SCRS and PORS are presented below.

	Measurement Period Ended June 30,	
System	2025	2024
SCRS		
Governmental activities	$ 10,579,625	$ 11,195,652
Business-type activities	$ 5,177,935	$ 5,584,402
City's proportion of the NPL	0.072921%	0.071556%
PORS		
Governmental activities	$ 15,549,399	$ 15,756,964
City's proportion of the NPL	0.562303%	0.525270%

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.

Pensions

For the year ended December 31, 2025, the City reported a liability of $15,757,560 and $15,549,399 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2025, 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 members, actuarially determined.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2025, the City recognized pension expense for the SCRS and PORS plans of $(22,811) and $3,689,515, respectively. At December 31, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

Description	Deferred outflow of resources	Deferred inflow of resources
Governmental activities		
Differences between expected and actual experience	$ 2,321,883	$ -
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	1,230,572	173,819
Assumption changes	331,677	-
Net difference between projected and actual earnings on pension plan investments	-	2,143,642
City's contributions subsequent to the measurement date	2,075,402	-
Total	$ 5,959,534	$ 2,317,461
Business-type activities		
Differences between expected and actual experience	$ 242,937	$ -
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	164,850	48,135
Assumption changes	61,196	-
Net difference between projected and actual earnings on pension plan investments	-	332,443
City's contributions subsequent to the measurement date	348,278	-
Total	$ 817,261	$ 380,578

The City reported the following outflows of resources of $2,075,402 and $348,278 related to contributions subsequent to the measurement date in governmental and business-type activities, respectively, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in future years.

(Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS and PORS:

	Governmental Activities		
Year Ended June 30,	SCRS	PORS	Total
2026	$ 556,633	$ 1,517,504	$ 2,074,137
2027	(27,363)	402,212	374,849
2028	(194,153)	(200,189)	(394,342)
2029	(154,486)	(333,487)	(487,973)
	$ 180,631	$ 1,386,040	$ 1,566,671

	Business-type Activities		
Year Ended June 30,	SCRS	PORS	Total
2026	$ 277,649	$ -	$ 277,649
2027	(13,649)	-	(13,649)
2028	(96,843)	-	(96,843)
2029	(78,752)	-	(78,752)
	$ 88,405	$ -	$ 88,405

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

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, 2025, and the accounting valuation report as of June 30, 2025. 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. (Continued)

NOTE 12 – DEFINED BENEFIT PENSION PLAN, Continued

Payables to the Pension Plans

At December 31, 2025, the City reported payables of $243,653 and $331,100 for the outstanding amount of contributions due to SCRS and PORS, respectively. The liabilities will be paid in the normal course of paying year-end obligations.

Money Purchase Pension Plans

The City maintains a money purchase pension plan for grandfathered employees that are not in the SCRS and sworn police officers who have been employed for one year. The plan is administered through ICMA-IRC. The City contributes 1% of the annual compensation of the sworn police officers after one year of employment and an amount equal to the voluntary contributions up to a maximum of 2%. The City also contributes an amount up to 1% less than the City's contribution rate for SCRS and group life insurance, currently 17.41%, for grandfathered employees that are not in SCRS. All employees can also make voluntary, tax deferred contributions at an amount equal to the maximum amount allowed under Internal Revenue Service regulations. All money purchase pension plans are 100% vested immediately. Total contributions to the plan by the City in 2025 were $147,075.

The City also maintains a money purchase pension plan for the City Administrator and others deemed eligible by a majority vote of City Council. The City contributes 9% of the employee's base salary per year, which is 100% vested immediately. Total contributions to the plan by the City were $22,137 in 2025.

South Carolina State Fireman's Association Retirement Plan and Trust

In 2002, the City established a supplemental retirement plan for paid firemen under the provisions of the South Carolina Fireman's Association Retirement Plan and Trust, a defined contribution plan established under Section 401(a) of the Internal Revenue Code. The Plan is administered by a three to five member managing committee elected by the Fire Department employees. The Plan is available to all paid fire department employees with one year of service. Plan members may take voluntary contributions at an amount up to 10% of the employee's annual compensation. The assets of the Plan are held for the exclusive benefit of the Plan participants and their beneficiaries and are not available to creditors of the City. Employer contributions to the Plan are determined by the Managing Committee of the Fire Department from funds provided pursuant to Sections 23-9-450 and 23-9-460 of the Code of Laws of the State of South Carolina (fireman's insurance and inspection funds). Total contributions to the Plan by the City in 2025 were $159,999, which is equivalent to the required contributions. The annual contribution is recorded as a disbursement in the Fireman's 1% Fiduciary Fund.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 17, 2026, which is the date the financial statements were available to be issued.

APPENDIX C

FORMS OF CERTAIN FINANCING DOCUMENTS

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The Base Lease

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BASE LEASE AGREEMENT

between

CITY OF GOOSE CREEK, SOUTH CAROLINA
as lessor

and

GOOSE CREEK MUNICIPAL FINANCE CORPORATION
as lessee

Dated as of September 1, 2026

All right, title, and interest of the Goose Creek Municipal Finance 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 September 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 September 1, 2026 (this "***Base Lease***") is made and entered into by and between the GOOSE CREEK MUNICIPAL FINANCE CORPORATION (together with its successors and assigns, the "***Corporation***"), a South Carolina nonprofit corporation, as lessee, and the CITY OF GOOSE CREEK, 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 2026 Real Property (as such term is defined herein);

WHEREAS, the City desires to demise and lease the 2026 Real Property to the Corporation so that the Corporation may provide for the 2026 Project and the Ancillary Project (as such terms are defined in the hereinafter defined Facilities Agreement) with the proceeds of the Series 2026 Bonds (as defined in the hereinafter defined Trust Agreement);

WHEREAS, the Facilities (as defined in the Facilities Agreement) will be sold by the Corporation to the City under the terms of a Municipal Facilities Purchase and Occupancy Agreement dated as of September 1, 2026 (the "***Facilities Agreement***") between the Corporation and the City;

WHEREAS, the payments to be made under the Facilities 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 September 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 Facilities 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 Facilities 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 as of September 1, 2026, and ends on the earlier of (i) September 1, 2051, 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 Goose Creek, 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 Goose Creek Municipal Finance Corporation, a South Carolina nonprofit corporation, and its successors and assigns.

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

"***Facilities***" has the meaning given such term in the Facilities Agreement.

"***Facilities Agreement***" means the Municipal Facilities Purchase and Occupancy Agreement dated as of September 1, 2026 between the Corporation and the City.

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

"***Ordinance***" means the Ordinance enacted by the Council on August 11, 2026, authorizing the City's execution and delivery of this Base Lease and the Facilities Agreement and consenting to the Trust Agreement.

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

"***Trust Agreement***" means the Trust Agreement dated as of September 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 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 make the initial payment of Base Lease Rent to defray the costs of the Ancillary Project, (iii) to provide for the issuance of the Series 2026 Bonds, and (iv) to provide for the sale of the Facilities to the City pursuant to the Facilities 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 Facilities 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. 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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, and, through the payment of Base Lease Rent, the Ancillary 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 Facilities Agreement.

* * *

ARTICLE III

CONVEYANCE AND LEASE OF THE 2026 REAL PROPERTY AND CONVEYANCE OF IMPROVEMENTS

Section 3.1 Lease of the 2026 Real Property. 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 parties hereto agree to amend Exhibit A to this Base Lease by the execution of a Supplement to Base Lease Agreement, in substantially the form of Exhibit B attached hereto, from time to time, if the 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 Facilities 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 Facilities 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 the City from the proceeds of the Series 2026 Bonds the aggregate sum of $11,030,620 (representing an initial payment of Base Lease Rent), which the City hereby covenants will be used for the acquisition, construction, renovation and equipping of the Ancillary Project, (ii) to pay to the City an annual amount of Base Lease Rent of One Dollar ($1.00) per year, and (iii) to fulfill its obligations with respect to the Facilities as provided in the Facilities Agreement. The $11,030,620 initial payment of Base Lease Rent and all investment earnings thereon must be used to provide tangible real or tangible personal property.

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 Facilities Agreement and there has not occurred an Event of Nonappropriation (as defined in the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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. The Corporation agrees, upon any partition of the Facilities provided for in Section 2.4 of the Facilities 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 Facilities Agreement occurs or if the City fails to continue the Facilities 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 Facilities Agreement) as the result of a partition as provided for in Section 2.4 of the Facilities 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 Facilities 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 Facilities 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 Facilities Agreement and after the payment of the purchase price specified therein and the other sums payable under the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 policies, performance bonds, 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 Facilities 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 Facilities 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, rights of way, 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 September 1, 2026.

CITY OF GOOSE CREEK, SOUTH CAROLINA

(SEAL)

Witnesses

By: ________________________________
Gregory Habib, Mayor

____

____

Attest:

____
Kelly Lovette, City Clerk

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

(SEAL)

Witnesses

By: ________________________________
Denis Espinoza, President

____

____

Attest:

____
Libby Roerig, Secretary

STATE OF SOUTH CAROLINA)
)   ACKNOWLEDGMENT
COUNTY OF BERKELEY)

On this __ day of _________, 2026, Gregory Habib, PERSONALLY, appeared before me and acknowledged that he is the Mayor of the City of Goose Creek, 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 BERKELEY)

On this __ day of _________, 2026, Denis Espinoza, PERSONALLY, appeared before me and acknowledged that he is the President of the Goose Creek Municipal Finance Corporation and that by authority duly given, he executed the foregoing on behalf of such corporation.

____
Notary Public for South Carolina
Printed Name:_______________________
My Commission Expires:_______________

EXHIBIT B

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

THIS SUPPLEMENT TO BASE LEASE AGREEMENT (this "***Supplement***") dated __________, 20__, by and between CITY OF GOOSE CREEK, SOUTH CAROLINA, a political subdivision duly existing under the laws of the State of South Carolina, as lessor (the "***City***"), and the GOOSE CREEK MUNICIPAL FINANCE 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 September 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.

WITNESSES: **CORPORATION**:

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

________________________ By: ____________________________
________________________ Its: ____________________________

________________________ By: ____________________________
________________________ Its: ____________________________

CITY:

CITY OF GOOSE CREEK, SOUTH CAROLINA

________________________ By: ____________________________
________________________ Its: ____________________________

EXHIBIT A

LEGAL DESCRIPTIONS OF 2026 REAL PROPERTY

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The Facilities Agreement

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MUNICIPAL FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

between

GOOSE CREEK MUNICIPAL FINANCE CORPORATION
as Seller

and

CITY OF GOOSE CREEK, SOUTH CAROLINA
as Buyer

$[PAR Amount]
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK PROJECTS)
SERIES 2026

Dated as of September 1, 2026

All right, title and interest of Goose Creek Municipal Finance Corporation in this Municipal Facilities Purchase and Occupancy Agreement (with certain exceptions) have been assigned to U.S. Bank Trust Company, National Association, as Trustee under the Trust Agreement dated as of September 1, 2026, and are subject to the security interest of the Trustee.

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MUNICIPAL FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

This MUNICIPAL FACILITIES PURCHASE AND OCCUPANCY AGREEMENT dated as of September 1, 2026 (this "***Facilities Agreement***"), is made and entered into by and between the GOOSE CREEK MUNICIPAL FINANCE CORPORATION (together with its successors and assigns, the "***Corporation***"), a South Carolina nonprofit corporation, as seller, and the CITY OF GOOSE CREEK, 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 Facilities Agreement;

WHEREAS, the Corporation and the City have entered into a Base Lease Agreement dated as of September 1, 2026 (the "***Base Lease***") pursuant to which the City is leasing the 2026 Real Property (as such term is defined herein) to the Corporation so that the Corporation, as consideration, may provide for the 2026 Project (as defined herein) and make the initial payment of Base Lease Rent from the proceeds of the Series 2026 Bonds (as defined herein) to be applied toward a portion of the Ancillary Project (as defined below);

WHEREAS, at present, the City faces challenges to certain public facilities that require the construction, reconstruction, acquisition, installation, renovation, and equipping, as applicable, of the Fire Facility and the Parking Facilities, as such terms are defined in Exhibit B (collectively, the "***2026 Project***"), as well as the construction, reconstruction, acquisition, installation, renovation, and equipping of the Public Safety Facility as such term is defined in Exhibit B (the "***Ancillary Project***"). The total costs of the 2026 Project and the Ancillary Project, excluding financing costs therefor, are estimated to be approximately $25.7 million. The Fire Facility and the Parking Facilities constitute the sole Facilities hereunder. The Ancillary Project is not subject to the Base Lease or this Facilities Agreement. The costs of the 2026 Project will be paid from the proceeds of the Series 2026 Bonds, and other funds made available to the Corporation from the City (the "***Other Project Funds***"). The costs of the Ancillary Project will be paid from the initial payment of Base Lease Rent and other funds available to the City;

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

WHEREAS, in order to provide funds (i) to defray the cost of the 2026 Project, (ii) to make the initial payment of Base Lease Rent to defray the cost of the Ancillary Project, and (iii) to pay costs related to the issuance of the Series 2026 Bonds, the Corporation has entered into a Trust Agreement, dated as of September 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 $[PAR AMOUNT] Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026 (the "***Series 2026 Bonds***");

WHEREAS, the City Council of the City of Goose Creek, the governing body of the City, has enacted an authorizing ordinance on August 11, 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 Facilities 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 Facilities 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 and initial payment of Base Lease Rent to the City for the costs of the Ancillary 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 any of the costs of the acquisition, designing, redesigning, engineering, and renovating, as applicable, of the Fire Facility and the Parking Facilities for use by the City on the 2026 Real Property.

"***2026 Real Property***" has the meaning given such term in the Base Lease. As of the date of this Facilities 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 Facilities 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.

"***Ancillary Project***" means the acquisition, construction, renovation, and equipping of the Public Safety Facility described in more detail in Exhibit B (or such other capital projects of the City as determined by the City), which are not subject to the Base Lease or this Facilities Agreement.

"***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 September 1, 2026, between the City and the Corporation, as it may be amended or supplemented from time to time.

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

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

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

"***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 Facilities 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 January 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 December 1 of any Fiscal Year authorizing the issuance of bonds, notes or other obligations for the purpose of paying all Installment Payments due in the succeeding Fiscal Year, notice of which is delivered timely to the Trustee.

"***Facilities***" means the improvements currently existing and to be constructed on the 2026 Real Property (including the 2026 Project and any other 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.

"***Fiscal Year***" means the fiscal year of the City, currently beginning on each January 1 and ending on the succeeding December 31.

"***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.

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

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

"***Other Project Funds***" means funds in the amount of $7,160,274 paid by the City to defray a portion of the costs of the 2026 Project.

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

"***Partition Consultant***" means a person, firm or corporation selected by the City and the Corporation 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 Facilities 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 Facilities 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 Facility***" means the Ancillary Project 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.

"***Rating Agency***" means a credit rating agency.

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

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

"***Series 2026 Bonds***" means the $[PAR AMOUNT] Installment Purchase Revenue Bonds (City of Goose Creek 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 Facilities 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 Facilities 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 Other Project Funds are applied solely to pay the costs of the 2026 Project, the Ancillary Project and costs of issuance of the Series 2026 Bonds 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 Other Project Funds 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 or the Ancillary 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 associated with the Series 2026 Bonds.

(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 Facilities 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 Facilities Agreement and the Base Lease.

(g) The execution and delivery of this Facilities 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 Facilities 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 Facilities 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 Facilities Agreement and the Base Lease or the City's ability to perform fully its obligations under this Facilities 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 Facilities 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 Facilities 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 Facilities Agreement is subject in its entirety to the right of the City to terminate this Facilities 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 the Ancillary Project, 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 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 Facilities Agreement shall be in effect, provision for all Installment Payments required for such Fiscal Year under this Facilities 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.

(o) The City covenants that all amounts received by it pursuant to Section 5.3(d) of the Trust Agreement and all "investment proceeds" thereon (net of administrative costs) will be applied to pay the costs of the Ancillary Project.

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 Facilities 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 Facilities 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 Facilities Agreement, the Base Lease, and the Trust Agreement.

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

(e) Each of this Facilities Agreement, the Base Lease, 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 Facilities Agreement and the

Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

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

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

(i) To defray the costs of the 2026 Project, to pay Base Lease Rent, 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 Facilities 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.

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.

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 Facilities Agreement shall be for a term beginning with the date of execution and delivery hereof, and ending on September 1, 2046.

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 Facilities 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 Facilities Agreement;

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

(d) the later of [September 1, 2046], 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 Facilities Agreement shall terminate all obligations of the City under this Facilities 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 Facilities Agreement of the Corporation Facilities (except to the extent of any conveyance pursuant to Article IX of this Facilities Agreement); but all other provisions of this Facilities Agreement, including all obligations of the Corporation with respect to the 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 Facilities 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 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 shall, at the expense of the City, appoint a Partition Consultant selected by the City and the Corporation experienced in the valuation of municipal facilities to propose a division of the respective interests in the Facilities. The Partition Consultant shall propose a division of the Facilities within a reasonable time after the Partition Date. The Partition Consultant 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 buildings, if possible, will be assigned to each of the City and the Corporation; and (2) if portions of the Facilities will be assigned to each of the Corporation and the City, the Partition Consultant 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. 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, is set forth on Exhibit E hereof. In allocating the Facilities to the percentage of undivided interests in the 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 associated therewith.

Partial Divisions. In the event that the Partition Consultant is unable to devise a partition that results in complete buildings comprising Facilities 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 in a manner consistent with other provisions of this Section 2.4. The portion of the Facilities which is property allocated to the City but is not a complete building comprising Facilities 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 Partition Consultant 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 Partition Consultant; 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 Partition Consultant 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 to the City. In setting the payments to be made by the City if it chooses to continue to occupy the such Facilities, the Partition Consultant shall set a payment that is not less than the amount of total Base Payments allocable to such Facilities that would have been payable from and after the Partition Date if this Facilities Agreement or the rights of the City hereunder had not been terminated.

Partition Report; Finality. The Partition Consultant shall propose a partition report regarding the division of the Facilities not later than 45 days after the Partition Date. The City, the Corporation and the Trustee shall have seven days from the receipt of the Consultant's proposal to object to the partition recommended therein, and if there is no objection, the report shall be final. If there is any objection, the Partition Consultant shall issue a final partition report not later than seven days after the last date on which objection could be made and such report shall be conclusively binding upon all parties. The Trustee shall be fully protected in relying on any report of the Partition Consultant which is accepted by both the City and the Corporation,

and the Trustee has no duty or obligation to make any determination or evaluation with respect to such agreed to partitions.

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 portion of the Facilities 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, (ii) to make the initial payment of Base Lease Rent, and (iii) to pay costs related to the issuance of the Series 2026 Bonds.

(b) The Corporation hereby agrees to undertake the 2026 Project. The Corporation and the City acknowledge and agree 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 Bond Proceeds or Other Project Funds 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) Other Project Funds, 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 and to pay the Base Lease Rent to the City.

(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, and with respect to the City's certification only, the Ancillary Project, have been substantially completed in accordance with the terms and conditions of this Facilities Agreement and compliance in all material respects with all applicable governmental regulations. As used in this paragraph, "substantial completion" of the 2026 Project and the Ancillary 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 a payment of Other Project Funds shall be paid by the City as of the date hereof as a single payment in the amount of $7,160,274 and that the sources of funds from which the City intends to make such payment are Available Sources, and the City has identified such sources and approved the amounts of such funds from such sources for use in making such payment.

(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 Facilities 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 Facilities 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, 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 payment of Other Project Funds, 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement are subject to the ability of the City to terminate this Facilities 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 Facilities Agreement shall yield, net, the Base Payments specified in Section 4.1 hereof during the term of this Facilities Agreement, and that all costs, expenses, liabilities and obligations of any kind and nature whatsoever including, without limitation, any ad valorem taxes or other taxes levied against 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 Facilities Agreement and which the Corporation except for this Facilities 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 Facilities Agreement in accordance with the terms hereof.

Section 4.5 Assignment of Facilities Agreement, Manner of Payment. As security for and the source of payment of the Series 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 Facilities Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4, and 5.5 hereof and to receive notices thereunder. The City consents and agrees to the assignment of this Facilities Agreement as provided herein. The City covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Facilities Agreement, and to make all payments required by the City under this Facilities Agreement (other than payment for indemnity and fees and expenses of the Corporation) directly to the Trustee, all without set-off, defense or counterclaim by reason of any dispute which the 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 Facilities 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 Facilities Agreement beyond the end of such Fiscal Year (except as otherwise provided herein). If this Facilities 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 Facilities 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 Facilities Agreement.

The City's obligation to make Installment Payments during the term of this Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement will be paid in full when due without any delay or diminution whatsoever, subject only to the special and limited nature of the City's obligation to pay Installment Payments hereunder as set forth above.

The obligations of the City under this Facilities 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 pursuant to clause (i) of the definition thereof, 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 Facilities 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 Facilities 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 January 16 following (i) the January 15 on which the City fails to specifically budget and appropriate sufficient moneys to pay the Installment Payments due hereunder, or (ii) the December 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 Facilities 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 January 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 January 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 December 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 Facilities Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Facilities Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee, 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 Facilities 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 Facilities Agreement, except to another political subdivision of the State, which assumes in writing all obligations of the City under this Facilities Agreement and shall enter into no such transaction without the written consent of the Trustee.

(c) Notwithstanding any other provision hereof to the contrary, the 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 any Rating Agency 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 Facilities 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, of the Ancillary Project) or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Facilities Agreement would cause the interest paid on the 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 Facilities Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of the proceeds of the 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 (to the extent not otherwise transferred under Section 2.1 hereof) 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 Facilities Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Corporation nor

the Trustee shall be accountable to the City for any action taken or omitted with respect to the Facilities, the Ancillary Project, or this Facilities Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Facilities Agreement. The Corporation and the Trustee and their members, officers, employees, and agents shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims based on the Trust Agreement or this Facilities Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person.

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 Facilities 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. The Trustee has no duty to review such budget and is solely a repository.

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 Other Project Funds, 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage to the property of others caused by accident or occurrence (including contractual liability endorsement), with limits of not less than $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 a Rating Agency, 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 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 Facilities 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.

(f) The City shall annually, within 30 days of the conclusion of each fiscal year, certify to the Trustee compliance with this Section 6.1.

Section 6.2 Self-Insurance Approval. If, at the time of execution of this Facilities 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. As a condition to any request for approval, the City shall furnish such financial statements, actuarial reports, reserve analyses, excess insurance information, and other documentation as the Corporation reasonably requests to determine that the self-insurance program provides protection substantially equivalent to the insurance otherwise required under this Facilities Agreement.

* * *

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 7.1 Damage, Destruction and Condemnation. If, during the term of this Facilities 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 Facilities 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 Facilities 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 Facilities Agreement and the Trust Agreement.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the 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 Facilities 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, (1)(a) any part of 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 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 the Facilities is taken by eminent domain, or (d) the City is deprived of the use of any part of the 2026 Real Property or the Facilities by reason of a defect in title thereto, and (2) the amount of Net Proceeds (plus any additional City contribution) to be applied as a prepayment hereunder shall exceed the amount necessary to defease or redeem all then outstanding Series 2026 Bonds, 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 (1)(a) through (d) above. Upon any such prepayment, title to the Facilities shall be deemed transferred 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 Facilities 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.

* * *

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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement shall have happened and be continuing, the Corporation (with written notice promptly given to the Trustee) shall terminate the term of this Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee in excess of the principal amount of the 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 Facilities Agreement.

Section 8.4 Cumulative Rights. No remedy conferred upon or reserved to the Corporation or the Trustee by this Facilities Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Corporation or the Trustee of any breach by the 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 Facilities Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Corporation or the Trustee, then and in every such case the 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.

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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 Facilities 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 ______, 20__, 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Goose Creek
519 North Goose Creek Blvd.
Goose Creek, SC 29445
Attention: City Administrator

If to the Corporation:

Goose Creek Municipal Finance Corporation
519 North Goose Creek Blvd.
Goose Creek, SC 29445
Attention: President
(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.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Facilities Agreement, the Base Lease, the Trust 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 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 10.4 Assignments. Except as expressly provided in the Trust Agreement and the provisions of Section 4.5 hereof, this Facilities Agreement may not be assigned by either of the parties hereto without the written consent of the other party hereto and the written consent of the Trustee. Except as provided in Section 8.2 hereof and the provisions of Articles VI and VII of the Trust Agreement, the Trustee shall not be permitted to further assign its interest in this Facilities Agreement. Any assignment in contravention hereof shall be void.

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

Section 10.6 Amendments. The 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 a Rating Agency 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement shall be governed by, and interpreted under, the laws of the State.

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

Section 10.10 Execution in Counterparts. This Facilities 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 Facilities Agreement effective as of September 1, 2026.

CITY OF GOOSE CREEK, SOUTH CAROLINA

(SEAL)

By: ______________________________
Gregory Habib, Mayor

Witnesses

____

____

Attest:

____
Kelly Lovette, City Clerk

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

(SEAL)

By: ______________________________
Denis Espinoza, President

Witnesses

____

____

Attest:

____
Libby Roerig, Secretary

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF BERKELEY)

On this __ day of _________, 2026, Gregory Habib, PERSONALLY, appeared before me and acknowledged that he is the Mayor of the City of Goose Creek, 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 BERKELEY)

On this __ day of _________, 2026, Denis Espinoza, PERSONALLY, appeared before me and acknowledged that he is the President of the Goose Creek Municipal Finance Corporation and that by authority duly given, he 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

EXHIBIT B

DESCRIPTION OF FACILITIES AND THE ANCILLARY PROJECT

The Facilities

"***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. 2220000178 and [235-00-00-088 & portion of 243-00-00-049], 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 and Other Project Funds. The Fire Facility and Parking Facilities (each as defined below) will be constructed on the 2026 Real Property and constitute the Facilities.

The "***Fire Facility***" will result from the construction, reconstruction, acquisition, installation, renovation, and equipping thereof through the 2026 Project. The 2026 Project encompasses (i) the new construction and equipping of the City's Fire Station IV, which is planned to include a modern station equipped with two apparatus bays to accommodate fire response vehicles, along with supporting space necessary for personnel and operations. Total estimated cost of the Fire Facility is $8.3 million, with $6.3 million to be paid from funds on hand and $2 million to be paid from proceeds of the Series 2026 Bonds.

The "***Parking Facilities***" encompass (i) improvements to existing and overflow parking areas at the City's Municipal Complex, and (ii) reconstruction and expansion of parking serving the City's golf and pool amenities. The Parking Facilities improvements include the removal of the existing parking lot (including islands and curbing), full repaving, and installation of irrigation, landscaping, and lighting improvements. The project also provides for the expansion of the parking area near the pool to increase capacity, as well as the construction of a standalone restroom facility with an integrated janitor's closet to support users of the adjacent recreational amenities. These improvements are intended to enhance access, safety, and capacity at key municipal recreation areas. Total estimated cost of the Parking Facilities is $4.02 million, with $3.06 million to be paid from proceeds of the Series 2026 Bonds and slightly less than $1 million to be paid from Other Project Funds.

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 Other Project Funds. Facilities do not include the Ancillary Project.

The Ancillary Project

"***Ancillary Project***" means the construction, reconstruction, acquisition, installation, renovation, and equipping of the Public Safety Facility on certain real property owned by the City and bearing TMS No. 244-00-00-091, a portion of the costs of which will be defrayed through the initial payment of the Base Lease Rent. The "***Public Safety Facility***" includes the construction of a new joint public safety training facility to be utilized by the City's police and fire departments. The Public Safety Facility is anticipated to be constructed in multiple phases, with the City planning to initiate Phase 1 and Phase 2. These initial phases are expected to include the development of core training infrastructure and supporting site improvements necessary to establish the facility and accommodate joint police and fire training activities. The Public Safety Facility is designed to provide dedicated space for training exercises, skills development, and interdepartmental coordination, and is anticipated to support both current operations and future growth in public safety services. Total project cost of Phases 1 and 2 of the Public Safety Facility component of the Ancillary Project is estimated to be approximately $11 million, with $2.5 million coming from funds on hand and the balance being funded with the proceeds of the Series 2026 Bonds through the initial payment of Base Lease Rent.

The Ancillary Project does not comprise a portion of the Facilities and is not subject to the Base Lease or the Facilities Agreement.

EXHIBIT C

PERMITTED ENCUMBRANCES

1. Base Lease Agreement from City of Goose Creek, South Carolina to Goose Creek Municipal Finance Corporation dated as of September 1, 2026, and recorded on [______], 2026, in the Berkeley County Register of Deeds Office in Book [______], page [______].

2. Municipal Facilities Purchase and Occupancy Agreement between Goose Creek Municipal Finance Corporation and the City of Goose Creek, South Carolina dated as of September 1, 2026, and recorded on [______], 2026, in the Berkeley County Register of Deeds Office in Book [______], page [______].

3. UCC-1 Financing Statement with Addendum reflecting Goose Creek Municipal Finance Corporation as debtor and U.S. Bank Trust Company, National Association as secured party recorded on [______], 2026, in the Berkeley 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
Fire Facility	$ 8,331,000
Parking Facilities	3,891,000
	$ 12,222,000

[*Facilities Transfer Table on Following Page*]

EXHIBIT F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

[THIS PAGE INTENTIONALLY LEFT BLANK]

The Trust Agreement

[THIS PAGE INTENTIONALLY LEFT BLANK]

TRUST AGREEMENT

between

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

and

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

$[PAR AMOUNT]
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK PROJECTS)
SERIES 2026

Dated as of September 1, 2026

TABLE OF CONTENTS

TRUST AGREEMENT

This TRUST AGREEMENT dated as of September 1, 2026 (this "***Trust Agreement***") is made by and between the GOOSE CREEK MUNICIPAL FINANCE 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 Goose Creek, South Carolina (the "***City***") is simultaneously herewith entering into a Base Lease Agreement dated as of September 1, 2026 (the "***Base Lease***") with the Corporation, pursuant to which the City is leasing to the Corporation the 2026 Real Property (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 Facilities Agreement) and make payments of Base Lease Rent (as defined in the Base Lease);

WHEREAS, the Corporation is simultaneously herewith entering into a Municipal Facilities Purchase and Occupancy Agreement with the City dated as of September 1, 2026 (the "***Facilities Agreement***") pursuant to which, subject to Section 3.1(b) of the Facilities 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 Facilities Agreement in consideration for which the City will be entitled to occupy the Facilities in accordance with the terms of the Facilities Agreement;

WHEREAS, the Corporation has agreed to pay to the City the Base Lease Rent (as defined in the Base Lease) which is expected to be used to defray the costs of the Ancillary Project (as defined herein), which Ancillary Project will not be located on the 2026 Real Property and will not be subject to the Base Lease or the Facilities Agreement; and desires to issue its $[PAR AMOUNT] principal amount Installment Purchase Revenue Bonds (City of Goose Creek 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, (ii) to make the initial Base Lease Rent to defray the cost of the Ancillary Project, and (iii) 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 Facilities Agreement,

including certain of the payments to be made by the City thereunder, are being assigned to the Trustee hereunder; and

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

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

GRANTING CLAUSES

Granting Clause First

All right, title, and interest of the Corporation in the Revenues (as defined herein), including, without limitation, all Installment Payments (as defined in the Facilities Agreement) and other amounts receivable by or on behalf of the Corporation under the Facilities Agreement; subject to certain reserved rights described in Sections 4.2, 4.4, 4.5, and 5.5 of the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Project***" means improvements acquired, developed and constructed with proceeds of Additional Bonds, but not made subject to the Base Lease or the Facilities 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 Facilities Agreement and the Base Lease.

"***Additional Payments***" has the meaning given such term in the Facilities 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.

"***Ancillary Project***" has the meaning given in the Facilities Agreement.

"***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 Administrator, 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 September 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 Facilities 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.

"***City***" means the City of Goose Creek, South Carolina.

"***City Representative***" means the City Administrator 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 Facilities 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 Administrator. 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 Goose Creek Municipal Finance 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 Facilities 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 Facilities 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 Facilities Agreement.

"***Facilities Agreement***" means the Municipal Facilities Purchase and Occupancy Agreement dated as of September 1, 2026, between the Corporation, as seller, and the City, as buyer, as the same may be amended and supplemented from time to time.

"***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 Facilities 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 Facilities Agreement.

"***Interest Payment Date***" means March 1 and September 1 of each year, beginning March 1, 2027, 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, within the limitations set forth herein, any investments now or hereafter permitted under Section 6-5-10 of the South Carolina Code, or any successor or similar statute, and shall also include the South Carolina Pooled Investment Fund established at Sections 6-6-10 to 6-6-40 of the South Carolina Code or any successor or similar statute permitted by the Holders.

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

"***Principal Payment Date***" means September 1 of each year, beginning September 1, 2027, while there are any unpaid or Outstanding Bonds.

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

"***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 Facilities 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 Facilities Agreement, (ii) all other moneys received or to be received by the Trustee under the Facilities 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 $[PAR AMOUNT] Installment Purchase Revenue Bonds (City of Goose Creek 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 September 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., and with respect to any Additional Bonds, the underwriter or initial purchaser identified in the applicable Supplemental Agreement.

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 Facilities 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 Facilities 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 the Corporation has agreed to make payments of Base Lease Rent, to allow the City to undertake the Ancillary Project, and (ii) the Facilities 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 Facilities Agreement.

Section 2.2 Installment Payments. Under the Facilities 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 Facilities Agreement, and subject to the City's right to exercise its purchase option as set forth in Section 9.1 of the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 $[PAR AMOUNT] to be designated "Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026." Any Additional Bonds shall be designated "Goose Creek Municipal Finance 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 Facilities 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 Facilities 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;

(2) to pay Base Lease Rent, the initial payment of which will be used to defray the cost of the Ancillary Project; and

(3) 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 ___________, 2026, and shall mature on September 1 in the years and principal amounts set forth below and shall bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the interest rates per annum set forth below:

MATURITY SCHEDULE

Due September 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 Project.

(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 Facilities 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 Facilities 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 Facilities 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, Trustee shall 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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 August 11, 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, the Ancillary 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 Facilities 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 Facilities 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 Facilities Agreement, the Series 2026 Bonds maturing after _____ 1, 20__, may be redeemed in whole or in part at any time on and after _____ 1, 20__, by the Corporation at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

The Series 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) *[Reserved].*

(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 ____ 1, 20__ (the "***20__ Term Bonds***"), shall be subject to mandatory sinking fund redemption commencing _____ 1, 20__, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on ____ 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 Facilities 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 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) $5,062,571 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;

(2) $11,030,620 shall be deposited into the Project Fund and credited to the City to pay Base Lease Rent; and

(3) $_______ shall be deposited into the Cost of Issuance Fund to be applied as set forth in Section 5.3(c) hereof.

Other Project Funds in the amount of $7,160,274 shall be deposited into the Project Fund held by the Trustee to defray a portion of the 2026 Project. The City shall additionally deposit $2,500,000 into the Project Fund held by the Trustee to defray a portion of the Ancillary Project.

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 costs of the 2026 Project and the Ancillary 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 and the Ancillary 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 the receipt of a requisition in the form of the requisition at Exhibit F hereof signed by a Corporation Representative and 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.

(d) The Trustee is authorized at any time to pay to or at the direction of the City the aggregate sum of not exceeding $11,030,620 for Base Lease Rent under the Base Lease, provided it shall be provided with a written request therefor from a City Representative in form substantially similar to that as attached hereto as Exhibit D or Exhibit E, as applicable. In connection therewith, the City shall certify that (i) all amounts received by it pursuant to this Section 5.3(d) will be applied to pay the costs of the Ancillary Project, and (ii) that all of such costs have been incurred by the City prior to the date thereof, but not earlier than 60 days prior to ________, except with respect to certain preliminary expenditures for architectural, engineering, surveying, soil testing and similar costs, and constitute capital expenditures for financial accounting and federal tax purposes. The only source for payment of Base Lease Rent to the City shall be that portion of proceeds of the Series 2026 Bonds deposited in the Project Fund pursuant to Section 5.1(2) of this Trust Agreement.

Section 5.4 Completion of the 2026 Project. (a) As soon as is practicable after the completion of the 2026 Project and the Ancillary Project and the filing with the Trustee of the final requisitions referred to in Section 5.3 hereof, the Trustee shall transfer any balance remaining in the Project Fund to the Acquisition Account of the Bond Fund.

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 Facilities 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 Facilities Agreement.

No subaccount of the 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 Acquisition 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 Facilities 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 Facilities 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 in such fund and applied as other moneys in such 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 Facilities 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. Except as provided in Section 5.9, all moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement or the Facilities 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 Facilities 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) 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 Facilities 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 except as may be required of it in its capacity as assignee of the Corporation under the Facilities Agreement or as specifically provided for elsewhere herein,

(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 Facilities 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, at the direction of the Holders of a majority of in principal amount of the Bonds, 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 Facilities 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 January 15 of each year, as required by Section 5.8 of the Facilities 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 may require that an indemnity bond or other form of indemnity satisfactory to it be furnished to the Trustee by the Holders for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated by a court of competent jurisdiction in a final-nonappealable judgement 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 Facilities 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 a majority 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, and the Corporation shall reimburse the Trustee for such costs. 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 Facilities 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 a majority in aggregate principal amount of the Outstanding Bonds.

(d) At the request of the City, so long as no default exists under the Facilities 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 Facilities 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 $150,000,000, 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 $150,000,000. 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 $150,000,000. 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 Facilities 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 Facilities 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 Facilities 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 Facilities 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; provided, however, that the Trustee shall not be deemed to have notice of any Event of Default other than a default under Section 7.1(a). 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 Facilities Agreement (including but not limited to the

right to relet the Corporation Facilities as provided in Section 8.2 of the Facilities 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 a majority 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 a majority 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 a majority 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 Facilities 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 Facilities Agreement and Base Lease.* As the assignee of all right, title and interest of the Corporation in and to the Facilities Agreement and the Base Lease, the Trustee is empowered to enforce each remedy, right and power granted to the Corporation under the Facilities 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 Facilities 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 a majority 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 Facilities 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;

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

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

(n) To reflect a change in law.

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

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

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

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

If the Corporation shall request that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses and liability in connection therewith, and (ii) if required by Section 8.4 hereof, receipt of the 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 Facilities 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

Facilities 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 a majority or more in principal amount of the Outstanding Bonds, or a designated representative therefor.

(b) *Rights and Enforcement of Base Lease and Facilities Agreement*. The Trustee may enforce, in its name, all rights of the Corporation under the Base Lease and the Facilities 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 Facilities Agreement, subject to the provisions hereof. 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 Facilities Agreement, and will take all actions within its authority to keep the Base Lease and the Facilities 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 FACILITIES 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 Facilities Agreement as may be required (i) by the provisions of the Base Lease, the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Facilities Agreement to provide for Additional Bonds hereunder; or

(b) Any amendment, change or modification of the Facilities 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 Facilities 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 Facilities 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 Facilities 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 Goose Creek, South Carolina
519 North Goose Creek Blvd.
Goose Creek, SC 29445
Attention: City Administrator

If to the Corporation:

Goose Creek Municipal Finance Corporation
519 North Goose Creek Blvd.
Goose Creek, SC 29445
Attention: President
(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 Facilities 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 Corporation, agrees 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 Facilities 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 [Reserved].

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 Facilities Agreement to provide information under Rule 15c2-12 (as defined in the Facilities 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 September 1, 2026.

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

(SEAL)

Attest:

By: ______________________________
Denis Espinoza, President

____
Libby Roerig, Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: ______________________________
Natalie Charles, Vice President

EXHIBIT A

[FORM OF SERIES 2026 BONDS]

Registered
No. R-1 $___________

GOOSE CREEK MUNICIPAL FINANCE CORPORATION
INSTALLMENT PURCHASE REVENUE BONDS
(CITY OF GOOSE CREEK PROJECTS)
SERIES 2026

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP**
________%	_____ 1, ______	______, 2026	__________

Holder: CEDE & CO.

Principal Amount: ____ DOLLARS

Goose Creek Municipal Finance 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 [_____] 1 or [_____] 1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above (calculated on the basis of a 360-day year of twelve 30-day months) payable on [_____] 1 or [_____] 1 (each a "***Bond Payment Date***") of each year commencing [_____] 1, 202__, 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 "Goose Creek Municipal Finance Corporation, Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026 (the "***Bonds***"), issued under a Trust Agreement, dated as of September 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), (ii) to make the initial payment of Base Lease Rent to defray the costs of the Ancillary Project, and (iii) 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 August 11, 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 Facilities Agreement) are located to the Corporation under the terms of a Base Lease Agreement dated as of September 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 Municipal Facilities Purchase and Occupancy Agreement dated as of September 1, 2026 (the "***Facilities Agreement***"), between the Corporation and the City, any other sums arising under the Facilities 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 Facilities 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 Facilities Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE CITY MAY TERMINATE THE FACILITIES 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 Facilities 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 Facilities 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 Facilities 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 [_____] 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 [_____] 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 [_____] 1 or [_____] 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.

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

(SEAL)

Attest:

By: ____________________________
Denis Espinoza, President

By: ____________________________
Libby Roerig, 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: ________, 2026

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

By: ________________________________
Authorized Officer

[FORM OF ASSIGNMENT]

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

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

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints ____________________ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature (Authorized Officer)

Dated:

EXHIBIT B

[FORM OF REQUISITION FOR 2026 PROJECT]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

Re: $[Amount] Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of September 1, 2026 (the "***Trust Agreement***"), between you and Goose Creek Municipal Finance 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 Goose Creek, South Carolina (the "***City***") and the Corporation, as the case may be, in the Facilities 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 Facilities Agreement.

Dated this _____day of_________, 20__.

CITY OF GOOSE CREEK, SOUTH CAROLINA

By:________________________________
City Representative

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

By:________________________________
Corporation Representative

EXHIBIT C

[FORM OF FINAL REQUISITION FOR 2026 PROJECT]

DIRECTION TO MAKE FINAL DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

Re: $[Amount] Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of September 1, 2026 (the "***Trust Agreement***"), between you and Goose Creek Municipal Finance Corporation (the "***Corporation***") and in accordance with the provisions of Section 5.3(b) 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 Goose Creek, South Carolina (the "***City***") and the Corporation, as the case may be, in the Facilities 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 Facilities Agreement.

D. The 2026 Project is free and clear of all liens and encumbrances for labor or materials furnished by the Corporation and all contractors, subcontractors and materialmen retained by the City and all contractors, subcontractors and materialmen performing work on the 2026 Project

has been, or upon receipt by the City of the payment of the final requisition request will be, paid in full, except for those the Corporation is contesting in good faith and with due diligence as permitted under the Facilities Agreement.

We further certify to you that the 2026 Project has been substantially completed in accordance with the terms and conditions of the Facilities 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 GOOSE CREEK, SOUTH CAROLINA

By:________________________________
City Representative

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

By:________________________________
Corporation Representative

EXHIBIT D

[FORM OF REQUISITION FOR BASE LEASE RENT]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

Re: $[Amount] Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of September 1, 2026 (the "***Trust Agreement***"), between you and Goose Creek Municipal Finance Corporation (the "***Corporation***") and in accordance with the provisions of Section 5.3(d) of the Trust Agreement, you are hereby directed to disburse from the Project Fund, the total sum of $________________, being that amount of Base Lease Rent held and not previously disbursed pursuant to the terms of the Trust Agreement.

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 Ancillary 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 Goose Creek, South Carolina (the "***City***") in the Base Lease and the Facilities Agreement are true and correct in all material respects as of the date hereof.

C. The City is not in default in any material respects under any provisions of the Base Lease or Facilities Agreement.

Dated this _____day of_________, 20__.

CITY OF GOOSE CREEK, SOUTH CAROLINA

By:________________________________
City Representative

EXHIBIT E

[FINAL FORM OF REQUISITION FOR BASE LEASE RENT]

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

Re: $[Amount] Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of September 1, 2026 (the "***Trust Agreement***"), between you and Goose Creek Municipal Finance Corporation (the "***Corporation***") and in accordance with the provisions of Section 5.3(d) of the Trust Agreement, you are hereby directed to disburse from the Project Fund, the total sum of $________________, being that amount of Base Lease Rent held and not previously disbursed pursuant to the terms of the Trust Agreement (and $______ representing investment earnings from the Project Fund not required to defray the cost of the 2026 Project).

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 to complete the Ancillary 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 Goose Creek, South Carolina (the "***City***") in the Base Lease and Facilities Agreement are true and correct in all material respects as of the date hereof.

C. The City is not in default in any material respects under any provisions of the Base Lease or Facilities Agreement.

Dated this _____day of_________, 20__.

CITY OF GOOSE CREEK, SOUTH CAROLINA

By:________________________________
City Representative

GOOSE CREEK MUNICIPAL FINANCE CORPORATION

By:________________________________
Corporation Representative

EXHIBIT F

[FORM OF REQUISITION FOR COSTS OF ISSUANCE]

DIRECTION TO MAKE DISBURSEMENT

Issuance Cost Requisition No. ____

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attention: Corporate Trust Department

Re: $[Amount] Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated as of September 1, 2026 (the "***Trust Agreement***"), between you and Goose Creek Municipal Finance 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 Cost of Issuance 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 Cost of Issuance 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 costs of issuance of the Series 2026 Bonds, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Goose Creek, South Carolina (the "***City***") and the Corporation, as the case may be, in the Facilities 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 Facilities Agreement.

Dated this _____day of_________, 20__.

CITY OF GOOSE CREEK, SOUTH CAROLINA

By:________________________________
City Representative

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

______, 2026

Goose Creek Municipal Finance Corporation
Goose Creek, South Carolina

City of Goose Creek
Goose Creek, South Carolina

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: $_________ Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

Ladies and Gentlemen:

We have acted at the request of the City of Goose Creek, South Carolina (the "***City***") and the Goose Creek Municipal Finance 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 $__________ Installment Purchase Revenue Bonds (City of Goose Creek 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 September 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 Municipal Facilities Purchase and Occupancy Agreement dated as of September 1, 2026 (the "***Facilities 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 Facilities Agreement (except certain reserved rights), the Base Lease (as defined herein), 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, funding the Base Lease Rent to fund a portion of the Ancillary Project, and pay the costs of issuance thereof.

The obligations of the City under the Facilities 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 September 1, 2026 (the "***Base Lease***"), by and between the City and the Corporation, the Facilities 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 Facilities 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 Facilities 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 Facilities Agreement is limited to annually appropriated funds of the City. The continuation of the Facilities 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 Goose Creek, 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 Facilities 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 ___________ ___, 2026, is executed and delivered by the City of Goose Creek, 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 Municipal Facilities Purchase and Occupancy Agreement (the "Facilities Agreement") dated as of September 1, 2026, by and between the City and the Goose Creek Municipal Finance 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 Goose Creek 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. <u>Definitions</u>. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) 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 Goose Creek Municipal Finance 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, 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 August 1 following the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 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, 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 – Summary of General Fund"
(2) "DEBT STRUCTURE – General Obligation Debt Limit"

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. <u>CUSIP Numbers</u>. 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. <u>Additional Disclosure Obligations</u>. 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. <u>Voluntary Filing</u>.

(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 GOOSE CREEK, SOUTH CAROLINA, as City

By:____________________________________
Name: Natalie Zeigler
Title: City Administrator

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Goose Creek Municipal Finance Corporation
Obligated Person(s):	City of Goose Creek, South Carolina
Name of Bond Issue:	$[Amount] Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026
Date of Issuance:	_____, 2026
Date of Official Statement	_____, 2026

CUSIP Numbers:

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Goose Creek Municipal Finance Corporation
Obligated Person(s):	City of Goose Creek, South Carolina
Name of Bond Issue:	$[Amount] Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026
Date of Issuance:	_____, 2026
Date of Official Statement	_____, 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 _____, 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 _____, 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.

CITY OF GOOSE CREEK, SOUTH CAROLINA • Goose Creek Municipal Finance Corporation Installment Purchase Revenue Bonds (City of Goose Creek Projects), Series 2026

THE CITY OF
GOOSE CREEK

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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