Draft No. 2
November 10, 2026

INSTALLMENT FINANCING AGREEMENT

Dated as of November 24, 2026

between

COUNTY OF POLK, NORTH CAROLINA

and

WEBSTER PUBLIC FINANCE CORPORATION,
a subsidiary of Santander Bank, N.A.

TABLE OF CONTENTS

[To be updated.]

Page

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions and Rules of Construction....2
SECTION 1.2. Exhibits....4

ARTICLE II

REPRESENTATIONS OF THE COUNTY AND LENDER

SECTION 2.1. Representations, Covenants and Warranties of the County....5
SECTION 2.2. Representations, Covenants and Warranties of the Lender....6

ARTICLE III

ADVANCEMENT; ACQUISITION, CONSTRUCTION AND EQUIPPING OF PROJECT

SECTION 3.1. Advancement; Creation of Project Fund....8
SECTION 3.2. Acquisition, Construction and Equipping of the Project....8
SECTION 3.3. Investment....9
SECTION 3.4. Disbursements....9
SECTION 3.5. Termination....9
SECTION 3.6. Disclaimer of Lender....9
SECTION 3.7. Reliance of the Lender on Documents....10

ARTICLE IV

REPAYMENT OF THE ADVANCEMENT; SECURITY FOR REPAYMENT

SECTION 4.1. Repayment of the Advancement....11
SECTION 4.2. Budget and Appropriation....11
SECTION 4.3. Deed of Trust....12
SECTION 4.4. No Set-Off; Recoupment, Etc.....12

ARTICLE V

INSURANCE

SECTION 5.1. Comprehensive General Liability....13
SECTION 5.2. Workers' Compensation....13
SECTION 5.3. Insurance....13

SECTION 5.4. Title Insurance 14
SECTION 5.5. General Insurance Provisions 14

ARTICLE VI

DAMAGE AND DESTRUCTION;
USE OF NET PROCEEDS

SECTION 6.1. Obligation of the County to Repair and Replace the Mortgaged Property....16
SECTION 6.2. Insufficiency of Net Proceeds; Discharge of the Obligation of the County to Repair the Mortgaged Property....16
SECTION 6.3. Notice to and Cooperation of the Lender....17
SECTION 6.4. Due on Sale; Acceleration 17

ARTICLE VII

COVENANTS OF THE COUNTY

SECTION 7.1. Installation of Additional Improvements....18
SECTION 7.2. Access to the Mortgaged Property....18
SECTION 7.3. Maintenance, Utilities, Taxes and Assessments 18
SECTION 7.4. Modification of the Mortgaged Property 19
SECTION 7.5. Encumbrances....19
SECTION 7.6. Indemnification of the Lender and the Local Government Commission ..19
SECTION 7.7. Financial Statements....20
SECTION 7.8 Maintenance of Tax-Exempt Status....20

ARTICLE VIII

ASSIGNMENT AND LEASING

SECTION 8.1. Assignment by the Lender 21
SECTION 8.2. Assignment and Leasing by the County 21

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined 23
SECTION 9.2. Remedies on Default....24
SECTION 9.3. No Remedy Exclusive....24
SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses 24
SECTION 9.5. No Additional Waiver Implied by One Waiver....25

ARTICLE X

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 10.1. Optional Prepayment of Installment Payments.....26

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Notices 27
SECTION 11.2. Binding Effect.....27
SECTION 11.3. Further Instruments.....27
SECTION 11.4. Severability 27
SECTION 11.5. Execution in Counterparts; Electronic Transactions.....27
SECTION 11.6 Commitment Letter.....28
SECTION 11.7. Role of Lender 28
SECTION 11.8 E-Verify 28
SECTION 11.9. Applicable Law.....28

EXHIBIT A Installment Payment Schedule.....A-1
EXHIBIT B Form of Requisition B-1

INSTALLMENT FINANCING AGREEMENT

This INSTALLMENT FINANCING AGREEMENT, dated as of November 24, 2026 (the "Agreement"), between COUNTY OF POLK, NORTH CAROLINA, a body politic and corporate duly organized and validly existing under the laws of the State of North Carolina (the "County"), and WEBSTER PUBLIC FINANCE CORPORATION, a subsidiary of Santander Bank, N.A. (the "Lender");

WITNESSETH:

WHEREAS, the County is a body politic and corporate duly organized and validly existing under and by virtue of the Constitution and laws of the State of North Carolina;

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, the County may finance the acquisition of property and the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements, or in all or some portion of the property upon which the fixtures or improvements are located, or in both, a security interest to secure repayment of the moneys advanced or made available for construction;

WHEREAS, after a public hearing and due consideration, the Board of Commissioners of the County has determined to finance the cost of acquiring, constructing and equipping a new community center (the "Project");

WHEREAS, in order for the County to obtain the funds to pay the costs of financing the Project, the County has determined to enter into this Agreement whereby the Lender will advance funds to the County to be applied, together with any other available funds, to (a) pay the costs of the Project and (b) pay certain financing costs relating thereto, and the County will repay such advancement with interest in installments pursuant to the terms of this Agreement;

WHEREAS, as security for the performance of its obligation under this Agreement, including the payment of the installment payments hereunder, the County will execute and deliver a Deed of Trust, dated as of the date hereof (the "Deed of Trust"), to the Deed of Trust trustee named therein, for the benefit of the Lender, pursuant to which the County will grant a lien on the Site (hereinafter defined), together with all buildings, improvements and fixtures located and to be located thereon;

WHEREAS, the Lender is willing to advance moneys to the County for the purpose of financing the costs of the Project and paying certain financing costs relating thereto, and the County is willing to repay the moneys so advanced by the Lender in installments as more fully provided herein; and

WHEREAS, the County and the Lender have each duly authorized the execution and delivery of this Agreement and the Deed of Trust.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions and Rules of Construction. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The words "hereby", "herein", "hereof", "hereto", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement unless some other reference is indicated.

"Act" means Section 160A-20 of the General Statutes of North Carolina, as amended.

"Advancement" means the advance being made by the Lender to the County pursuant to Section 3.1 of this Agreement to (a) pay the costs of the Project and (b) pay the Closing Costs.

"Agreement" means this Installment Financing Agreement, including any amendment or supplement hereto as permitted hereby.

"Board of Commissioners" means the Board of Commissioners of the County.

"Closing" means the date on which the County executes and delivers this Agreement, and the Lender makes the Advancement to the County.

"Closing Costs" means and further includes all items of expense directly or indirectly payable by or reimbursable to the County relating to the financing of the Project, including, but not limited to, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, legal fees and charges and financing and other professional consultant fees.

"County" means the County of Polk, North Carolina, a body politic and corporate duly organized and validly existing under and by virtue of the Constitution and laws of the State of North Carolina, and any successor entity.

"Deed of Trust" means the Deed of Trust, of even date herewith, from the County to the Deed of Trust Trustee, for the benefit of the Lender, securing the Installment Payments and other obligations specified hereunder and thereunder, as supplemented and amended from time to time.

"Deed of Trust Trustee" means the person or other entity at the time serving as trustee under the Deed of Trust.

"Determination of Taxability" means and shall be deemed to have occurred on the date when (a) the County shall receive notice from the Lender that the Internal Revenue Service has assessed as includable in gross income the interest component of the Installment Payments made by the County under this Agreement due to the occurrence of an Event of Taxability or (b) the County or the Lender shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest component of the Installment Payments made by the County under this Agreement is includable in the gross income of the Lender for federal income tax purposes due to the occurrence of an Event of Taxability.

"Enforcement Limitation" means the provisions of the Act that provide that no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation incurred under the Act and that the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under this Agreement.

"Event of Nonappropriation" means (a) the failure by the Board of Commissioners to budget and appropriate in its budget for the ensuing Fiscal Year adopted on or about June 30 of each year moneys sufficient to pay all Installment Payments and any reasonably estimated additional payments under this Agreement coming due in the next ensuing Fiscal Year or (b) the Board of Commissioners' deletion from its duly adopted budget of any appropriation for the purposes specified in clause (a). In the event that during any Fiscal Year, any additional payments shall become due that were not included in the County's current budget, and if there are no moneys available to pay such additional payments prior to the date upon which such additional payments are due, an Event of Nonappropriation shall be deemed to have occurred on the date on which such additional payment were due and remain unpaid.

"Event of Taxability" means the occurrence or existence of any fact, event or circumstance caused by the failure of the County to comply with any covenants in this Agreement or any document or certificate executed by the County in connection with the transactions contemplated by this Agreement which has the effect of causing the interest component of the Installment Payments made by the County under this Agreement to be includable in the gross income of the Lender for federal income tax purposes.

"Fiscal Year" means the period beginning on July 1 of any year and ending on June 30 of the following year.

"Installment Payment Date" means each of the dates set forth on the Installment Payment Schedule attached hereto as Exhibit A.

"Installment Payments" means the payments required to be paid by the County pursuant to Section 4.1 in order to repay the Advancement, as specified in Exhibit A.

"Investment Obligation" means any security or investment authorized by Section 159-30 of the General Statutes of North Carolina, as may be amended from time to time, or any substitute or successor statute.

"Lender" means Webster Public Finance Corporation, a subsidiary of Santander Bank, N.A., and any successors or assigns.

"LGC" means the Local Government Commission of North Carolina, a division of the Department of the State Treasurer, and any successor thereto.

"Mortgaged Property" means the property subject to the lien of the Deed of Trust, consisting of the Site, together with all of the buildings, improvements and fixtures located or to be located thereon and all rents, issues, profits and revenues and proceeds derived therefrom, all as more particularly described in the Deed of Trust.

"Net Proceeds" means any proceeds of insurance or taking by eminent domain or condemnation paid with respect to the Mortgaged Property remaining after payment therefrom of any expenses (including reasonable attorneys' fees) incurred in the collection thereof.

"Permitted Encumbrances" means and includes (a) liens for taxes, assessments and other governmental charges due but not yet payable; (b) landlord's, warehouseman's, carrier's, worker's, vendor's, mechanic's and materialmen's liens and similar liens incurred in the ordinary course of business remaining undischarged for not longer than sixty (60) days from the filing thereof; (c) attachments remaining undischarged for not longer than sixty (60) days from the making thereof; (d) liens in respect of pledges or deposits under workers' compensation laws, unemployment insurance or similar legislation and in respect of pledges or deposits to secure bids, tenders, contracts (other than contracts for the payment of money), leases or statutory obligations, or in connection with surety, appeal and similar bonds incidental to the conduct of litigation; (e) the lien created by the Deed of Trust and any lease of all or any portion of the Mortgaged Property permitted by Section 8.2; (f) this Agreement; (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which the County certifies in writing to the Lender will not materially impair the use of the Mortgaged Property for its intended purpose or the marketability of the Mortgaged Property; (h) any mortgage or encumbrance on the Mortgaged Property consented to by the Lender pursuant to Section 9 of the Deed of Trust; and (i) any other encumbrances described in any title report of policy evidencing title insurance required pursuant to Section 5.4.

"Project" means the acquisition, construction and equipping of a community center to be located on the Site.

"Project Fund" means the account to which the Advancement is deposited for safekeeping and investment pending the disbursement thereof to pay costs of the Project and Closing Costs.

"Site" means the real property identified in Exhibit A to the Deed of Trust, such site being the site where the Project is or will be located.

"State" means the State of North Carolina.

SECTION 1.2. Exhibits. The following exhibits are attached to, and by reference made a part of, this Agreement:

Exhibit A: Installment Payment Schedule
Exhibit B: Form of Requisition

ARTICLE II

REPRESENTATIONS OF THE COUNTY AND LENDER

SECTION 2.1. Representations, Covenants and Warranties of the County. The County represents, covenants and warrants to the Lender as follows:

(a) The County is a body politic and corporate duly organized and validly existing under and by virtue of the Constitution and laws of the State of North Carolina.

(b) The Constitution and laws of the State authorize the County to execute and deliver this Agreement and the Deed of Trust and to enter into the transactions contemplated by and to carry out its obligations under this Agreement and the Deed of Trust.

(c) The County has duly authorized and executed this Agreement and the Deed of Trust in accordance with the Constitution and laws of the State.

(d) Neither the execution and delivery of this Agreement and the Deed of Trust, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions or any charter provision, restriction or any agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing.

(e) No approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Agreement, the Deed of Trust and all other documents related thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.

(f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County challenging the validity or enforceability of this Agreement, the Deed of Trust or any other documents relating hereto and the performance of the County's obligations hereunder and thereunder.

(g) The County will obtain or cause to be obtained all licenses, permits and other approvals of any other governmental entity having jurisdiction over the County or the Project that are necessary for the acquisition, construction and equipping of the Project.

(h) The County shall not (i) request the assignment of a rating on this Agreement by any municipal securities rating agency, (ii) register this Agreement with The Depository Trust Company or any other securities depository, (iii) offer this Agreement pursuant to any type of offering document or official statement or (iv) request the assignment of a CUSIP number by Standard & Poor's CUSIP Service.

(i) The County has complied with all applicable public bidding requirements with respect to this Agreement and the acquisition, construction and equipping of the Project.

(j) The Site is not subject to any easement, right of way, covenant, restriction, lien or encumbrance which would materially impair the use of the Mortgaged Property for its intended purpose. The Site is properly zoned for the purposes for which it is intended to be used.

(k) Any taxes, assessments or impositions of any kind with respect to the Site, except current taxes, have been paid in full.

(l) The County acknowledges that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act), all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The County agrees that it will provide to the Lender such information as it may request, from time to time, in order for the Lender to satisfy the requirements of the USA PATRIOT Act, including, but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

SECTION 2.2. Representations, Covenants and Warranties of the Lender. The Lender represents, covenants and warrants to the County as follows:

(a) The Lender has the power and authority to enter into this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the organizational documents of the Lender or any restriction or any agreement or instrument to which the Lender is now a party or by which the Lender is bound.

(c) The Lender (i) is familiar with the County; (ii) has been furnished certain financial information about the County; (iii) acknowledges that the County has made available to it the opportunity to obtain additional information to verify the accuracy of the information supplied and to evaluate the merits and risks of entering into this Agreement; (iv) has had the opportunity to ask questions of and receive answers from the County representatives, including officers, attorneys, advisors and accountants, concerning the terms of this Agreement, the information supplied to it and the County's condition, financial and otherwise; and (v) acknowledges that the County has been responsive to all of its requests for information.

(d) The Lender is capable of evaluating the merits and risks of entering into this Agreement and has agreed to enter into this Agreement although no formal offering material has been provided to it.

(e) The Lender has undertaken to discuss and investigate the form and substance of this Agreement and the transactions related thereto with such counsel and other persons as it has deemed appropriate.

(f) The Lender acknowledges that this Agreement is not registered under the United States Securities Act of 1933, as amended, and that the County is not presently required to register this Agreement under the United States Securities Exchange Act of 1934, as amended. Therefore, if

and when the Lender wishes to sell or assign part or all of the Agreement, current financial and other information may not be available. The Lender further realizes that the County may, but is not under any obligation to, provide current financial and other information upon the sale or assignment of all or part of the Agreement at some subsequent time, or to pay any costs associated with any such sale or assignment. Further, the Lender understands that it may need to bear the risks of this Agreement for an indefinite period of time, because any sale or assignment of this Agreement may not be possible or, if possible, may be at a price below that which the Lender is entering into this Agreement.

(g) The Lender represents that it is entering into the Agreement for its own account with the present intent to hold the loan to maturity with no present intention to resell or distribute the Agreement or any interest therein; provided, however, that the Lender reserves the right at all times to control the disposition of its assets, including this Agreement. The Lender or its assignees may assign or reassign all or any part of this Agreement in accordance with the provisions of Section 8.1.

ARTICLE III

ADVANCEMENT; ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

SECTION 3.1. Advancement; Creation of Project Fund. In consideration of the covenants, warranties and representations contained herein, and in consideration of the County's agreement to repay the moneys advanced hereunder and interest thereon, the Lender hereby agrees to advance to the County at Closing moneys in the amount of $11,811,000.00 (the "Advancement"). On the date of Closing, the Lender shall, at the direction of the County, deposit the Advancement in a separate segregated account established with a financial institution acceptable to the Lender (the "Project Fund"). The Project Fund shall be applied in accordance with the provisions of this Article. Any investment earnings on the Project Fund shall be retained in the Project Fund pending disbursement to pay the Closing Costs and the costs of the Project in accordance with Section 3.2.

SECTION 3.2. Acquisition, Construction and Equipping of the Project. The County shall be obligated to pay all Closing Costs and costs of the Project when the same become due and payable from the proceeds of the Advancement or other available funds of the County. The County shall enter into, or cause to be entered into, one or more contracts or purchase orders providing for the acquisition, construction and equipping of the Project. The County shall cause the acquisition, construction and equipping of the Project to be carried on expeditiously in accordance with the plans and specifications therefor and in compliance with all applicable ordinances and statutes and requirements of all regularly constituted authorities having jurisdiction over the same. The County shall ensure that the Project (i) does not impermissibly encroach upon nor impermissibly overhang any easement or right of way and (ii) when completed, will be wholly within the boundaries of the Site, and any building restriction lines, however established, and will not violate applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The County shall cause all utility lines, septic systems and streets serving the Project to be completed in accordance with health department standards and other applicable regulations of any governmental agency having jurisdiction over the same. The County shall promptly correct or cause to be corrected any structural defect in the improvements or any departure from any related plans and specifications. The Lender and its representatives and agents shall have the right to enter on and inspect the Project from time to time, during and after acquisition and construction, and the County shall cause any general contractor, construction manager at risk or first-tier subcontractor to cooperate with the Lender and its representatives and agents during such inspections. No right of inspection or approval contained herein imposes on the Lender any duty or obligation whatsoever to undertake any inspection or to give any approval. The County shall not make any material changes to the Project to the extent that such changes impair the structural integrity or utility of the Project without the prior written consent of the Lender. The County shall require, or cause to be required, that each primary contractor for the Project provide performance and labor and materials payment bonds in an amount not less than the amount of the respective contract, naming the Lender as a co-obligee. The net proceeds received by the County from any such bond or bonds shall be paid to the Lender for the deposit in the Project Fund and applied to pay the costs of the Project in the same manner as the Advancement as herein provided.

SECTION 3.3. Investment of the Project Fund. The County shall invest and reinvest moneys deposited in the Project Fund solely in Investment Obligations mutually agreed to by the

County and the Lender, and investment earnings on the Project Fund shall be retained in the Project Fund pending disbursement in accordance with Section 3.4. The County shall be solely responsible for ascertaining that all proposed investments and reinvestments comply with federal, state and local laws, regulations and ordinances governing investment of funds held pursuant to a loan agreement similar in substance to the arrangement contemplated by this Agreement. Accordingly, the Lender shall not be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to investment or reinvestment of all or a portion of the moneys held in the Project Fund, and the County hereby agrees, to the extent permitted by law, to release and indemnify and hold harmless the Lender from any such liability, cost, expense, loss or claim.

SECTION 3.4. Disbursements from the Project Fund. Unless the Project Fund is earlier terminated in accordance with the provisions of Section 3.5, the moneys held in the Project Fund shall be used to pay the Closing Costs and the costs of the Project. In connection with the drawing of funds from the Project Fund, the County Manager or Finance Director or their designees, shall prepare and execute a written requisition substantially in the form set forth in Exhibit B attached hereto, which shall be submitted to the Lender for approval. No funds shall be drawn from the Project Fund until the requisition therefor shall be approved by the Lender (such approval not to be unreasonably withheld). The Lender is entitled to rely on each written requisition as conclusive evidence of the County's compliance with the procedure described herein.

If the moneys held in the Project Fund are insufficient to pay all of the Closing Costs and the costs of the Project, the County shall provide any balance of the funds needed to complete the acquisition, construction, and equipping of the Project.

Any moneys remaining in the Project Fund after completion of the acquisition, construction and equipping of the Project, as evidenced by a written certificate of completion executed by the County Manager or Finance Director of the County and delivered to the Lender stating that the Project has been completed and there are no mechanic's or other liens against the Project for labor or materials furnished in connection with the Project, will be applied to the next succeeding Installment Payments until such time as such moneys are expended.

SECTION 3.5. Termination of the Project Fund. The Project Fund shall be terminated at the earliest of (a) the final distribution of moneys from the Project Fund as provided in Section 3.4, (b) written notice given by the Lender of an event of default by the County under this Agreement resulting in acceleration of the principal component of the Installment Payments, and (c) termination of this Agreement.

SECTION 3.6. Disclaimer of Lender. The County acknowledges and agrees that the design of the Project has not been made by the Lender, and the Lender has not supplied any plans or specifications with respect thereto and that the Lender (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Project or similar projects, (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any contractor with respect to, the Project or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Project or any component part thereof or any property or rights relating thereto at any stage of the acquisition, equipping or construction thereof, (c) has not at any time had physical

possession of the Project or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Project or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the results which the County intends therefor, or (iii) is safe in any manner or respect.

THE LENDER MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE PROJECT OR ANY COMPONENT PART THEREOF TO THE COUNTY OR ANY OTHER CIRCUMSTANCE WHATSOEVER WITH RESPECT THERETO, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE; THE DESIGN OR CONDITION THEREOF; THE SAFETY, WORKMANSHIP, QUALITY OR CAPACITY THEREOF; COMPLIANCE THEREOF WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; ANY LATENT DEFECT; THE TITLE TO OR INTEREST OF THE LENDER THEREIN BEYOND THAT TITLE OR INTEREST WHICH THE COUNTY OBTAINS FROM THE LENDER PURSUANT HERETO; THE ABILITY THEREOF TO PERFORM ANY FUNCTION; THAT THE PROCEEDS DERIVED FROM THE ADVANCEMENT WILL BE SUFFICIENT, TOGETHER WITH ANY OTHER AVAILABLE FUNDS OF THE COUNTY, TO PAY THE CLOSING COSTS AND THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE PROJECT; OR ANY OTHER CHARACTERISTICS OF THE PROJECT, IT BEING AGREED THAT ALL RISKS RELATING TO THE PROJECT, THE COMPLETION THEREOF OR THE TRANSACTIONS CONTEMPLATED HEREBY ARE TO BE BORNE BY THE COUNTY, AND THE BENEFITS OF ANY AND ALL IMPLIED WARRANTIES AND REPRESENTATIONS OF THE LENDER ARE HEREBY WAIVED BY THE COUNTY.

SECTION 3.7. Reliance of the Lender on Documents. The Lender may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Lender shall not be liable in any manner for the sufficiency or correctness as to the form, manner of execution, or validity of any instrument or as to the identity, authority, or right of any person executing the same, and the Lender's duties hereunder shall be limited to the receipts of such moneys, instruments or other documents received by it as the Lender, and for the disposition of the same in accordance herewith.

ARTICLE IV

REPAYMENT OF THE ADVANCEMENT; SECURITY FOR REPAYMENT

SECTION 4.1. Repayment of the Advancement. (a) The County shall repay the Advancement, with interest, computed at the rate of 5.185% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months), in installments due at the times and in the amounts set forth in Exhibit A attached hereto and made a part hereof.

(b) All payments required to be made to the Lender hereunder shall be made in accordance with the wire instructions provided by the Lender or as may otherwise be authorized or directed by the Lender.

(c) Notwithstanding the provisions of subsection (a) of this Section, in the event of a Determination of Taxability, the interest rate relating to the Advancement payable under this Agreement, from and after the Inclusion Date, shall be adjusted to preserve the Lender's after-tax economic yield with respect to the interest components of the Installment Payments. In addition, the County shall pay to the Lender (i) an amount necessary to reimburse the Lender for any interest, penalties, or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Lender's failure to include the interest portion of the Installment Payments in its gross income for income tax purposes, and (ii) upon request of the Lender, additional interest as a result of the increase in the interest rate on all previous payments made by the County after the Inclusion Date. In the event of a Determination of Taxability, the Lender shall provide the County with a new Installment Payment Schedule which reflects the new interest rate which will replace the Installment Payment Schedule set forth in Exhibit A.

(d) The County agrees to give prompt written notice to the Lender upon the County's determination or receipt of any notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability shall have occurred.

(e) Should the County fail to pay any Installment Payment or any other sum required to be paid to the Lender on the due date thereof, the County shall pay a late payment charge equal to six percent (6%) of the delinquent payment. The acceptance or assessment of a late charge shall not constitute a waiver of default or event of default under this Agreement or impair any other rights or remedies of the Lender.

SECTION 4.2. Budget and Appropriation. (a) The officer of the County at any time charged with the responsibility for formulating budget proposals shall include in the budget proposals for review and consideration by the Board of Commissioners in any Fiscal Year in which this Agreement shall be in effect, items for all Installment Payments and any additional payments required for such Fiscal Year under this Agreement or the Deed of Trust. Any budget item referred to in this Section shall be deleted from the applicable budget by the Board of Commissioners only by the adoption of a resolution to such effect containing a statement of its reasons therefor, which resolution shall be adopted by roll-call vote and shall be spread upon the minutes of the Board of Commissioners. Upon request, the County shall furnish the Lender with copies of its annual budget within thirty (30) days after its adoption and copies of any amended budget affecting appropriations for Installment Payments or additional payments required under this Agreement or

the Deed of Trust. The County shall promptly provide written notice to the Lender of any Event of Nonappropriation.

(b) **NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS AGREEMENT AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS AGREEMENT.**

No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the County's moneys, nor shall any provision of this Agreement restrict the future issuance of any of the County's bonds or moneys. To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

SECTION 4.3. Deed of Trust. In order to secure its obligations under this Agreement, including its obligation to make the Installment Payments hereunder, the County will execute and deliver the Deed of Trust simultaneously with the execution and delivery of this Agreement.

SECTION 4.4. No Set-Off; Recoupment, Etc. Subject to Section 4.2 and the Enforcement Limitation, the obligation of the County to make the Installment Payments hereunder and to perform and observe the other covenants of this Agreement shall be absolute and unconditional, and the County will pay without abatement, diminution or deduction all such amounts regardless of any cause or circumstance whatsoever, including, without limitation, any defense, set-off, recoupment or counterclaim that the County may have against the Lender.

ARTICLE V

INSURANCE

SECTION 5.1. Comprehensive General Liability. The County shall maintain or cause to be maintained throughout the term of this Agreement, a comprehensive general liability policy or policies in protection of the County, its officers, agents and employees. Said policy shall cover such losses and for such amounts and shall have such deductible amounts as shall be satisfactory to the Board of Commissioners and, in the judgment of the Board of Commissioners, shall protect the County against losses not protected under the principles of sovereign immunity. The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid. Such insurance policies shall name the Lender and its successors and assigns as loss payee and additional insured.

SECTION 5.2. Workers' Compensation. The County shall maintain workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the laws now in force in the State, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof. The proceeds of such workers' compensation insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

SECTION 5.3. Insurance. (a) The County shall procure and maintain, or cause to be procured and maintained, throughout the term of this Agreement, insurance against loss or damage to any portion of the Mortgaged Property by fire and lightning, with extended coverage, and vandalism, theft and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance policies shall name the Lender as mortgagee and its affiliates, successors, and assigns as loss payee thereunder and shall, to the extent permitted by the insurance provider, provide for notice to the Lender not less than thirty (30) days in advance of any cancellation of such insurance policy or reduction in the amount of such insurance below the coverage amount required by this Agreement. To the extent that any contractor shall provide an insurance policy or certificate of insurance (naming the Lender as mortgagee and as loss payee) demonstrating that the same coverage as is required by this subsection is being carried by such contractor with respect to the Mortgaged Property or any part thereof and adequately protects the interest of the County and the Lender, the insurance provided for by this paragraph (a) shall not be required with respect to the Mortgaged Property or such part thereof while the Mortgaged Property or such part thereof is so covered by such other insurance. The County shall cause to be delivered to the Lender prior to construction of the Project a certificate of insurance evidencing that the insurance required by this subsection is in full force and effect.

(b) If any buildings, fixtures or other improvements are located on any portion of the Mortgaged Property that is located in a special flood hazard area according to the Federal Emergency Management Agency, then the County shall maintain a flood insurance policy on the Mortgaged Property. If at any time during the term of this Agreement, such portion of the Mortgaged Property is classified by FEMA as being located in a special flood hazard area, flood insurance will be mandatory. Should this occur, federal law requires the Lender to notify the County of the reclassification. If, within forty-five (45) days of receipt of notification from the

Lender that any portion of the Mortgaged Property has been reclassified by FEMA as being located in a special flood hazard area, the County has not provided sufficient evidence of flood insurance, the Lender is mandated under federal law to purchase flood insurance on behalf of the County, and any amounts so expended shall immediately become debts of the County, shall bear interest at the rate specified herein, and payment thereof shall be secured by the Deed of Trust.

(c) Such insurance required by this Section shall be in an amount equal to 100% of the replacement cost of the Mortgaged Property (except that such insurance may be subject to a reasonable and customary deductible clause for any one loss).

(d) The Net Proceeds of such insurance required by this Section shall be applied as provided in Section 6.1 or Section 6.2.

SECTION 5.4. Title Insurance. [The Lender shall not require the County to maintain title insurance on the Mortgaged Property.][The County shall obtain at the time of execution and delivery of this Agreement, and cause to be maintained, a mortgagee's title insurance policy on the Mortgaged Property insuring the County's fee simple interest in the Mortgaged Property, subject only to Permitted Encumbrances, in an amount at least equal to the amount of the Advancement, naming the Lender as the named insured.] **[Note: Applicable provision to be confirmed upon completion of title search.]**

SECTION 5.5. General Insurance Provisions. (a) The County shall pay or cause to be paid when due the premiums for all insurance policies required by this Agreement.

(b) All insurance policies required by this Article shall be issued by a responsible carrier authorized to do business under the laws of the State.

(c) The Lender shall not be responsible for the sufficiency or adequacy of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Lender.

(d) In lieu of obtaining the policies of insurance required by Section 5.1, Section 5.2 and Section 5.3, the County may adopt alternative risk management programs which the County determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the County.

(e) The insurance coverage required under Section 5.3 may be maintained under a blanket policy covering other properties of the County.

(f) The County shall cause to be delivered to the Lender annually on or about July 1 of each year a certificate stating that the insurance policies or alternative risk management programs required or permitted by this Agreement are in full force and effect.

(g) The County shall cooperate fully with the Lender in filing any proof of loss with respect to any insurance policy maintained pursuant to this Article and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Mortgaged Property or any portion thereof.

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Obligation of the County to Repair and Replace the Mortgaged Property. Unless applied to the payment in full or in part of the remaining Installment Payments pursuant to Section 6.2 and Section 10.1, the County shall cause the Net Proceeds of any insurance policies or condemnation proceedings to be applied to the prompt repair, restoration or replacement of the Mortgaged Property. In the event that any such Net Proceeds exceed $500,000, the County shall cause such Net Proceeds to be deposited in a separate fund maintained by the County with the Lender, its designee or other depository acceptable to the Lender and, except as set forth in Section 6.2, all Net Proceeds so deposited shall be disbursed upon receipt of requisitions of the County to the Lender, stating, with respect to each payment to be made, (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due; (c) the amount to be paid; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate 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. The Lender shall cooperate with the County in the administration of such fund and shall not unreasonably withhold its approval of such disbursement requests submitted by the County pursuant to this Section. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the County, subject to the Deed of Trust and Permitted Encumbrances, and shall be included as part of the Mortgaged Property under this Agreement.

SECTION 6.2. Insufficiency of Net Proceeds; Discharge of the Obligation of the County to Repair the Mortgaged Property. (a) If the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration or replacement of the Mortgaged Property, the County may elect to complete the work and pay any cost in excess of the amount of the Net Proceeds, and the County agrees that, if by reason of any such insufficiency of the Net Proceeds, the County shall make any payments pursuant to the provisions of this subsection (a), the County shall not be entitled to any reimbursement therefor from the Lender, nor shall the County be entitled to any diminution of the Installment Payments payable under Section 4.1.

(b) If the County elects not to apply the Net Proceeds to the repair, restoration or replacement of the Mortgaged Property, the County may apply the Net Proceeds of such insurance policies to the prepayment of the principal component of the Installment Payments in accordance with Section 10.1. In the event the amount of such Net Proceeds exceeds the amount necessary to prepay the principal component of all remaining Installment Payments, plus any prepayment premium and the interest component of the Installment Payments accrued to the date of prepayment, such excess shall be paid to or retained by the County.

Within 90 days following the receipt of Net Proceeds, unless a further extension is approved by the Lender, the County shall commence the repair, restoration or replacement of the Mortgaged Property, or shall elect, by written notice to the Lender, to apply the Net Proceeds to the prepayment of the Installment Payments under the provisions of Section 10.1. For purposes of this subsection, "commence" shall include the retention of an engineer in anticipation of the repair, restoration, modification, improvement or replacement of the Mortgaged Property. In the event that the County shall, after commencing the repair, restoration, modification, improvement

or replacement of the Mortgaged Property, determine that the Net Proceeds (plus any amount withheld therefrom by reason of any deductible clause) shall be insufficient for the accomplishment thereof, the County may, subject to the proviso set forth above, elect to apply the Net Proceeds to the prepayment of the Installment Payments under the provisions of Section 10.1.

SECTION 6.3. Notice to and Cooperation of the Lender. The County shall promptly provide notice to the Lender of any material damage or destruction of the Mortgaged Property or any prospective or pending condemnation proceedings relating to the Mortgaged Property. The Lender shall cooperate fully with the County in filing any proof of loss with respect to any insurance policy covering the events specified in Section 5.3. In no event shall the Lender or the County voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or condemnation proceeding with respect to the Mortgaged Property without the written consent of the other.

SECTION 6.4. Due on Sale Provision; Acceleration. Subject to the Enforcement Limitation, the Lender may, at its option, require the immediate payment in full of the Installment Payments and all other sums secured by this Agreement upon the sale, transfer or conveyance of all or any part of the Mortgaged Property, or any legal or beneficial interest in the Mortgaged Property, without the Lender's prior written consent. This provision shall apply whether such sale, transfer or conveyance is voluntary, involuntary, by operation of law or otherwise, and includes the grant to any leasehold or similar interest of any option to purchase, right of first refusal or similar interest. The provisions of this Section shall not apply to a casualty or condemnation involving all or part of the Mortgaged Property that is governed by this Article or a lease for all or part of the Mortgaged Property that is allowed pursuant to Section 8.2(b).

ARTICLE VII

COVENANTS OF THE COUNTY

SECTION 7.1. Installation of Additional Improvements. The County may at any time and from time to time, in the sole discretion of the County, and at its own expense, construct real property improvements and install items of equipment or other personal property in or upon any portion of the Mortgaged Property that does not materially impair the effective use, nor materially decrease the value, of the Mortgaged Property; provided, however, that the County shall repair and restore any and all damage resulting from the construction, installation, modification or removal of any such items. All such items provided by the County shall become part of the Mortgaged Property and be subject to the lien of the Deed of Trust.

SECTION 7.2. Access to the Mortgaged Property. The County agrees that the Lender and its agents and employees, shall have the right, at all reasonable times during normal business hours of the County upon the furnishing of reasonable notice to the County under the circumstances, to enter upon the Mortgaged Property or any portion thereof to examine and inspect the same. The County further agrees that the Lender and its agents and employees shall have such rights of access to the Mortgaged Property as may be reasonably necessary to cause the proper maintenance of the Mortgaged Property in the event of failure by the County to perform its obligations hereunder, provided that any such inspection shall be consistent with the law enforcement and public safety protocols of the County. No right of inspection shall be deemed to impose on the Lender any duty or obligation whatsoever to undertake any inspection, and no inspection made by the Lender shall be deemed to impose upon the Lender any duty or obligation to identify any defects in the Mortgaged Property or to notify any person with respect thereto.

SECTION 7.3. Maintenance, Utilities, Taxes and Assessments. (a) Subject to the Enforcement Limitation, the County shall provide for the repair and replacement of any portion of the Mortgaged Property required on account of ordinary wear and tear or want of care.

(b) Subject to the Enforcement Limitation, the County shall also pay, or provide for the payment of, all taxes and assessments, including, but not limited to, utility charges of any type or nature levied, assessed or charged against any portion of the Mortgaged Property; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) The County may, at the County's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided, however, that prior to such nonpayment, the County shall furnish to the Lender an opinion of counsel acceptable to the Lender to the effect that, by nonpayment of any such items, the interest of the Lender in the Mortgaged Property will not be materially endangered and that all or any portion of the Mortgaged Property will not be subject to loss or forfeiture. Otherwise, subject to the Enforcement Limitation, the County shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof.

SECTION 7.4. Modification of the Mortgaged Property. The County shall, in its sole discretion and at its own expense, have the right to make additions, modifications and improvements to any portion of the Mortgaged Property if such additions, modifications or improvements are necessary or beneficial for the use of the Mortgaged Property. Such additions, modifications and improvements shall not in any way damage any of the Mortgaged Property (unless such damage is to be repaired as provided in Section 6.1) or cause the Mortgaged Property to be used for purposes other than those authorized under the provisions of law and that will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes, and the Mortgaged Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not less than the value of the Mortgaged Property immediately prior to the making of such additions, modifications and improvements. The Mortgaged Property, as so modified, shall be subject to the lien of the Deed of Trust.

Except for Permitted Encumbrances, the County shall not permit any lien to be established or remain against the Mortgaged Property for labor or materials furnished in connection with any additions, modifications or improvements made by the County pursuant to this Section; provided, however, that if any such lien is established, the County may, at its own expense and in its name, in good faith contest any lien filed or established against the Mortgaged Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, provided that the County shall furnish to the Lender full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Lender.

SECTION 7.5. Encumbrances. Except as provided in this Article (including, without limitation, Section 7.4 and this Section), the County shall not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim, as applicable, on or with respect to the Mortgaged Property, other than Permitted Encumbrances. Except as expressly provided in this Article and subject to the Enforcement Limitation, the County shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such pledge, lien, charge, encumbrance or claim for which it is responsible if the same shall arise at any time; provided, however, that the County may contest any such lien, charge, encumbrance or claim if it desires to do so and if it provides the Lender with full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Lender.

SECTION 7.6. Indemnification of the Lender and the Local Government Commission. To the fullest extent permitted by law, the County covenants to defend, indemnify and hold harmless the Lender and the LGC and their respective officers, directors, members, employees and agents (collectively, the "Indemnified Party") against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Agreement or the Deed of Trust and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Agreement or the Deed of Trust. In particular, without limitation, the County shall and hereby agrees to indemnify and save the Indemnified Party harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any breach or

default on the part of the County in the performance of any of its obligations under this Agreement or the Deed of Trust.

SECTION 7.7. Financial Statements. The County agrees that it will furnish the Lender, in such manner as the Lender may require or permit, when the same become available, but in no event later than 270 days after the end of the Fiscal Year, its annual audited financial statements. To the extent that audited financial statements are unavailable, the County shall deliver unaudited annual financial statements to the Lender in the manner described in this Section within such 270 day period and shall then provide the audited financial statements to the Lender promptly upon the availability thereof. The County also agrees to provide to the Lender upon its written request such other information relating to the County, the Project or the Mortgaged Property as the Lender may reasonably request (excluding any privileged or confidential information). Delivery of financial statements to the Lender may be made by electronic means. The electronic audited financial statements or link may be sent to the following email address (or such other address as the Lender supplies to the County in writing): PublicFinance@WebsterBank.com.

SECTION 7.8. Maintenance of Tax-Exempt Status. The County covenants to do and perform all acts and things permitted by law in order to assure that interest component of the Installment Payments which is excludable from the gross income of the Lender for federal income tax purposes on the date of this Agreement shall continue to be so excludable.

ARTICLE VIII

ASSIGNMENT AND LEASING

SECTION 8.1. Assignment by the Lender. The Lender may, at any time and from time to time, assign to any affiliate of Lender or to any bank, insurance company or similar financial institution or any other entity approved by the LGC all or any part of its interest in the Mortgaged Property or this Agreement, including, without limitation, the Lender's rights to receive the Installment Payments and any additional payments due and to become due hereunder. Reassignment by any assignee may also only be to an affiliate of Lender, or to any bank, insurance company or similar financial institution or any other entity approved by the LGC. The County agrees that this Agreement may become part of a pool of obligations at the Lender's or its assignee's option. The Lender or its assignees may assign or reassign either the entire pool or any partial interest herein. Notwithstanding the foregoing, no assignment or reassignment of the Lender's interest in the Mortgaged Property or this Agreement shall be effective unless and until the County shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each assignee. The County covenants and agrees with the Lender and each subsequent assignee of the Lender to maintain for the full term of this Agreement a written record of each such assignment or reassignment. The County agrees to execute any document reasonably required by the Lender in connection with any assignment. Notwithstanding any assignment by the Lender of its interest in this Agreement, the County shall not be obligated to provide any financial or other information to any assignee of the Lender except as set forth in Section 7.7.

After the giving of notice described above to the County, the County shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgement shall in no way be deemed to make the assignment effective.

The Lender covenants that any disclosure document circulated by it or an assignee in connection with the sale of the Lender's rights in this Agreement will contain a statement to the effect that the County has not reviewed and is not responsible for the disclosure document. The Lender covenants to defend, indemnify and hold harmless the County and its officers, employees and agents against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which such indemnified party may become subject on account of any statement included in a disclosure document, or failure to include a statement in a disclosure document, unless the County shall have expressly approved the use of such disclosure document.

SECTION 8.2. Assignment and Leasing by the County. (a) This Agreement may not be assigned by the County.

(b) The County may lease all or any portion of the Project to the YMCA of Greater Spartanburg, a South Carolina nonprofit corporation, for operation as a community center, pursuant to a lease agreement to be negotiated between the County and said lessee, subject to each of the following conditions:

(i) the obligation of the County to make Installment Payments hereunder shall remain obligations of the County;

(ii) at least thirty (30) days prior to the execution and delivery of any such lease, the County shall furnish or cause to be furnished to the Lender, a true and complete copy of the form of such lease;

(iii) the Lender shall have received evidence satisfactory to the Lender that such lease is subordinate in all respects to the lien of the Deed of Trust; and

(iv) prior to entering into the lease, the County and the Lender shall receive an opinion of counsel acceptable to the Lender to the effect that the lease by the County and the arrangements contemplated thereby (1) shall not cause the Mortgaged Property to be used for a purpose other than a governmental or proprietary function of the County authorized under the provisions of the Constitution and laws of the State and (2) shall not cause the interest component of the Installment Payments to be includable in gross income of the Lender for federal income tax purposes or change the alternative minimum tax treatment of such interest component for federal tax purposes.

(c) In addition to the lease permitted by (b), the County may lease all or any portion of the Project, subject to each of the following conditions:

(i) the obligation of the County to make Installment Payments hereunder shall remain obligations of the County;

(ii) at least thirty (30) days prior to the execution and delivery of any such lease, the County shall furnish or cause to be furnished to the Lender, a true and complete copy of the form of such lease;

(iii) the Lender shall have received evidence satisfactory to the Lender that such lease is subordinate in all respects to the lien of the Deed of Trust; and

(iv) the lease by the County shall not cause the Mortgaged Property to be used for a purpose other than a governmental or proprietary function of the County authorized under the provisions of the Constitution and laws of the State and shall not cause the interest component in the Installment Payments to be includable in gross income of the Lender for federal income tax purposes or change the alternative minimum tax treatment of such interest component for federal tax purposes.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) The failure by the County to pay any Installment Payment required to be paid hereunder when due.

(b) The occurrence of an Event of Nonappropriation.

(c) Failure by the County to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed under Article V with respect to maintenance of insurance for a period of ten (10) days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Lender.

(d) Failure by the County to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a), (b) or (c) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Lender; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period and if corrective action is instituted by the County within the applicable period and diligently pursued, the County shall have such additional sixty (60) day period of time to correct the failure so long as such correction is diligently pursued.

(e) The County becomes insolvent or the subject of insolvency proceedings; or is unable, or admits in writing its inability, to pay its debts as they mature; or makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets, or requesting similar relief; or applies to a court for the appointment of a receiver for it or for the whole or any part of its property; or has a receiver or liquidator appointed for it or for the whole or any part of its property (with or without the consent of the County) and such receiver is not discharged within ninety (90) consecutive days after his appointment; or becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fails to have such petition dismissed within sixty (60) consecutive days after the same is filed against the County.

(f) The occurrence of an "Event of Default" under the Deed of Trust as defined therein.

(g) The County shall fail to pay the principal of or the interest or any redemption premium on any general obligation bonds or notes of the County as required by such bonds or notes or the documents providing for the issuance thereof.

(h) Any warranty, representation or statement made by the County herein or in the Deed of Trust or any other document executed and delivered by the County in connection herewith is found to be incorrect or misleading in any material respect as of the date made.

SECTION 9.2. Remedies on Default. Upon the occurrence of any event of default under Section 9.1, the Lender may, without any further demand or notice, exercise any one or more of the following remedies:

(a) declare the entire amount of the principal component of the Installment Payments and the accrued and unpaid interest component to the date of declaration to be immediately due and payable;

(b) exercise all remedies available at law or in equity or under the Deed of Trust, including sale of the Mortgaged Property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees incurred with the recovery, repair, storage and other sale or other disposition costs, toward the principal component and accrued and unpaid interest of the balance of Installment Payments due; and

(c) subject to the Enforcement Limitation, proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Agreement or to recover for the breach thereof.

NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE COUNTY IN FAVOR OF THE LENDER OR ANY OTHER PERSON IN VIOLATION OF SAID SECTION 160A-20, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED HEREUNDER WHEN THE SALE OF ALL OR ANY PORTION OF THE MORTGAGED PROPERTY IS INSUFFICIENT TO PRODUCE ENOUGH MONEYS TO PAY IN FULL ALL REMAINING OBLIGATIONS HEREUNDER.

SECTION 9.3. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Lender is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. To the extent permitted by law, any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power nor shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required in this Article or by law.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the County should default under any of the provisions hereof and the Lender should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the County contained herein, the County agrees that it will pay on demand to the Lender, subject to the limitations and provisions of Section

6-21.2 of the General Statutes of North Carolina, as amended, the reasonable fees of such attorneys and such other expenses so incurred by the Lender. For purposes of this Section, the reasonable fees of attorneys shall mean attorneys' fees actually incurred at such attorneys' standard hourly rate for such services and shall not be based on any percentage of the outstanding amount due; provided, however that such attorneys' fees shall not exceed the maximum amount permitted by law.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any provision contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder except as may be provided by law.

ARTICLE X

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 10.1. Optional Prepayment of Installment Payments. (a) Upon at least thirty (30) days' prior written notice to the Lender (unless otherwise waived by the Lender), which notice may be conditioned upon the receipt of funds by the County to make such prepayment on or prior to the prepayment date, the County may prepay, in whole or in part (which partial prepayment must be in accordance with the terms of subsection (b) of this Section), the outstanding principal component of the Installment Payments on any Installment Payment Date on or after November 1, 2031 at the following prepayment prices (expressed as a percentage of the principal component of the Installment Payments to be prepaid), plus accrued interest thereon to the prepayment date:

Prepayment Period (Inclusive)	Prepayment Price
November 1, 2031 to October 31, 2034	101%
November 1, 2034 and thereafter	100

(b) Any prepayment in part of the principal component of the Installment Payments, plus accrued interest thereon to the prepayment date, pursuant to this Section (i) shall not be less than $500,000 in principal amount, (ii) shall not be made more than once in any calendar year, (iii) shall be made on an Installment Payment Date and (iv) shall be applied in inverse order of the maturing principal components of the Installment Payments unless otherwise agreed to by the Lender. In the event of such a prepayment in part, the Lender shall provide the County with a new Installment Payment Schedule which reflects such prepayment which will replace the Installment Payment Schedule set forth in Exhibit A.

(c) Notwithstanding the provisions set forth in subsection (a) of this Section, upon damage, destruction or taking by eminent domain of the Mortgaged Property and if the County elects not to apply the Net Proceeds to the repair, restoration or replacement of the Mortgaged Property as provided in Section 6.2, upon at least 30 days' prior written notice to the Lender (unless otherwise waived by the Lender), the County may prepay in whole the outstanding principal component of the Installment Payments on any date at a prepayment price equal to the applicable prepayment price shown in subsection (a) of this Section (except if the prepayment date occurs on a date for which no prepayment price is shown, the prepayment price shall be 101% of the principal component of the Installment Payments to be prepaid), plus accrued interest thereon to the prepayment date.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon the earlier of actual receipt or three days after deposit in the United States first-class, registered or certified mail (unless otherwise provided herein), postage prepaid, at the following addresses:

If to the County:

County of Polk, North Carolina
P.O. Box 308
Columbus, North Carolina 28722
Attention: Finance Director

If to the Lender:

Webster Public Finance Corporation, a subsidiary of Santander Bank, N.A.
200 Elm Street
Stamford, Connecticut 06901
Attention: Public Sector Finance
Email: publicfinance@websterbank.com

The County and the Lender, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

SECTION 11.2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the County and the Lender and their respective successors and assigns. Whenever in this Agreement either the County or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all the covenants and agreements in this Agreement contained by or on behalf of the County or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.3. Further Instruments. Upon the Lender's request, the County shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by the Lender to carry out more effectively the purposes of this Agreement, the Deed of Trust or any other document related to the transactions contemplated hereby, and subject to the liens and security interests hereof and thereof all or any part of the Mortgaged Property intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Agreement.

SECTION 11.4. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 11.5. Execution in Counterparts; Electronic Transactions. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. In addition, the parties agree that

the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SECTION 11.6. Commitment Letter. The terms of this Agreement shall supersede the terms of any commitment letter, proposal or other term sheet provided by the Lender. To the extent of any conflict between this Agreement and such other documents, this Agreement shall take priority.

SECTION 11.7. Role of Lender. The County acknowledges and agrees that: (i) this Agreement is an arm's length commercial transaction between the County and the Lender in which the Lender is acting solely as a principal to make a loan to the County, and not as a municipal advisor, financial advisor or fiduciary to the County or any other person or entity regardless of whether the Lender or an affiliate has or is currently acting as such on a separate transaction; (ii) the Lender has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated by this Agreement, and the discussions, undertakings and procedures leading to this Agreement (irrespective of whether the Lender or its affiliates have provided other services or are currently providing other services to the County on other matters); (iii) the only obligations the Lender has to the County with respect to the transaction contemplated by this Agreement are expressly set forth herein or the relating financing documents; and (iv) the County has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

SECTION 11.7 E-Verify. To the extent applicable in connection with this Agreement, the Lender will comply with the "E-Verify" requirements of Sections 64-25(5) and 64-26(a) of the General Statutes of North Carolina, as amended, including with respect to any subcontractors the Lender may use in connection with this Agreement, if any. The Lender hereby represents that, as of the effective date of this Agreement, it has determined that it is not an "employer" within the meaning of Section 64-25(4) of the General Statutes of North Carolina, as amended, as it does not employ 25 or more employees in the State.

SECTION 11.8. Applicable Law. This Agreement shall be construed and governed in accordance with the laws of the State of North Carolina.

(signatures to follow)

IN WITNESS WHEREOF, the County and the Lender have caused this Agreement to be executed in their respective names by their respective duly authorized officers as of the date first above written.

COUNTY OF POLK, NORTH CAROLINA

[SEAL]

By:_____
Name:
Title: County Manager

Attest:

_____
Clerk

WEBSTER PUBLIC FINANCE CORPORATION,
a subsidiary of Santander Bank, N.A.

By:_____

Name:
Title: Senior Vice President

[Signature page to the Installment Financing Agreement, dated as of November 24, 2026, between the County of Polk, North Carolina and Webster Public Finance Corporation, a subsidiary of Santander Bank, N.A.]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The foregoing Installment Financing Agreement has been approved under the provisions of Section 160A-20 and Article 8 of Chapter 159 of the General Statutes of North Carolina, as amended.

_____

Secretary, Local Government Commission
of North Carolina

EXHIBIT A

INSTALLMENT PAYMENT SCHEDULE

Principal Amount: $11,811,000
Interest Rate: 5.185% (calculated on a 30/360 basis)

Installment Payment Date	Principal	Interest	Total
July 1, 2027	$0	$369,141.32	$369,141.32
January 1, 2028	591,000	306,200.18	897,200.18
July 1, 2028	0	290,878.50	290,878.50
January 1, 2029	591,000	290,878.50	881,878.50
July 1, 2029	0	275,556.83	275,556.83
January 1, 2030	591,000	275,556.83	866,556.83
July 1, 2030	0	260,235.15	260,235.15
January 1, 2031	591,000	260,235.15	851,235.15
July 1, 2031	0	244,913.48	244,913.48
January 1, 2032	591,000	244,913.48	835,913.48
July 1, 2032	0	229,591.80	229,591.80
January 1, 2033	591,000	229,591.80	820,591.80
July 1, 2033	0	214,270.13	214,270.13
January 1, 2034	591,000	214,270.13	805,270.13
July 1, 2034	0	198,948.45	198,948.45
January 1, 2035	591,000	198,948.45	789,948.45
July 1, 2035	0	183,626.78	183,626.78
January 1, 2036	591,000	183,626.78	774,626.78
July 1, 2036	0	168,305.10	168,305.10
January 1, 2037	591,000	168,305.10	759,305.10
July 1, 2037	0	152,983.43	152,983.43
January 1, 2038	591,000	152,983.43	743,983.43
July 1, 2038	0	137,661.75	137,661.75
January 1, 2039	590,000	137,661.75	727,661.75
July 1, 2039	0	122,366.00	122,366.00
January 1, 2040	590,000	122,366.00	712,366.00
July 1, 2040	0	107,070.25	107,070.25
January 1, 2041	590,000	107,070.25	697,070.25
July 1, 2041	0	91,774.50	91,774.50
January 1, 2042	590,000	91,774.50	681,774.50
July 1, 2042	0	76,478.75	76,478.75
January 1, 2043	590,000	76,478.75	666,478.75
July 1, 2043	0	61,183.00	61,183.00
January 1, 2044	590,000	61,183.00	651,183.00
July 1, 2044	0	45,887.25	45,887.25
January 1, 2045	590,000	45,887.25	635,887.25
July 1, 2045	0	30,591.50	30,591.50
January 1, 2046	590,000	30,591.50	620,591.50
July 1, 2046	0	15,295.75	15,295.75
January 1, 2047	590,000	15,295.75	605,295.75

EXHIBIT B

[Form of Requisition]

Webster Public Finance Corporation, a subsidiary of Santander Bank, N.A.
200 Elm Street
Stamford, Connecticut 06901
Attention: Public Sector Finance
Email: PublicFinance@WebsterBank.com; mcargo@websterbank.com

Re: Disbursement from the Project Fund pursuant to Section 3.4 of the Installment Financing Agreement, dated as of November 24, 2026 (the "Agreement"), between the County of Polk, North Carolina (the "County") and Webster Public Finance Corporation, a subsidiary of Santander Bank, N.A. (the "Lender").

REQUISITION NO. _____

DATED: _____

In accordance with Section 3.4 of the Agreement, the County hereby requests approval from the Lender to disburse from the Project Fund the sum of $_____, payable to the persons and in the amounts and at the addresses set forth in **Attachment 1** hereto, said sums being the amounts due for or attributable to the purposes described in said **Attachment 1**.

The County further certifies as follows:

1. This [Project cost/Closing Cost] has been properly incurred, is a proper charge against the Project Fund and has not been the basis of any previous disbursements and such amounts requested have been paid by the County, or are justly due to said persons for the costs of entering into the Agreement or to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses are stated on **Attachment 1** hereto) who have performed necessary and appropriate work or furnished necessary and appropriate materials, equipment or furnishings in the acquisition, construction and equipping of the Project. All such materials, equipment or furnishings have been delivered to, and are located on, the Site.

2. Sufficiency of Remaining Moneys. The amount remaining in the Project Fund, together with interest earnings thereon and other available funds, will, after payment of the amount set forth in this requisition, be sufficient to pay all remaining Project costs and Closing Costs for the Project as presently estimated in accordance with the related construction contract and plans and specifications.

3. This written requisition contains no request for payment on account of any retained percentage which the County is on the date hereof entitled to retain.

4. There has not been filed with or served upon the County any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive

payment of the amounts requested which has not been released or will not be released simultaneously with the payment of such obligation.

5. If this written requisition is for reimbursement, the County has paid an invoice prior to the date of the commencement of the Agreement and is requesting reimbursement for such payment. A copy of evidence of such payment, together with any other evidence required by the Lender prior to the Lender's approval hereof that the County has satisfied the requirements for reimbursement set forth in Treasury Reg. 1.150.2, is hereby attached. The Lender's approval hereof shall evidence that the County has delivered to the Lender such required documentation.

6. Attached hereto are invoices or other evidence of payments due supporting the Project costs or Closing Costs being requisitioned as set forth above (including but not limited to, construction invoices, any applicable AIA Document G-702 Application and Certificate for Payment, lien waivers, inspection reports, architect certificates, itemization of present and prospective expenditures and a list of items necessary for completion).

All capitalized terms in this written requisition shall have the meanings ascribed to them in the Agreement.

Very truly yours,

_____

Title:_____

Approved for Payment:

Webster Public Finance Corporation,
a subsidiary of Santander Bank, N.A.

_____

Title: _____

ATTACHMENT 1 TO
FORM OF REQUISITION

LIST OF PAYMENTS

PAYEE	PAYMENT INSTRUCTIONS	AMOUNT	PURPOSE	IF FOR REIMBURSEMENT, DATE OF ORIGINAL PAYMENT BY TOWN TO VENDOR