

In the opinion of Bond Counsel, assuming continued compliance by the County (as defined herein) with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the 2025 Bonds (as defined herein) is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Under the present laws of the State of South Carolina, the 2025 Bonds and the interest thereon will be exempt from all South Carolina income taxation except estate or other transfer taxes and certain franchise tax. The opinion contains greater detail, and is subject to exceptions, as noted in “TAX TREATMENT” herein.

LANCASTER COUNTY, SOUTH CAROLINA
\$15,000,000* ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS, SERIES 2025

Dated: Date of Delivery**Due: As shown on the inside cover**

The Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the “2025 Bonds”) are being issued by Lancaster County, South Carolina (the “County”), only in fully registered form, without coupons, in authorized denominations of \$25,000 or integral multiples of \$5,000. The 2025 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year consisting of twelve thirty-day months, payable semi-annually on each June 1 and December 1, commencing December 1, 2025. The 2025 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), a New York corporation. Purchases of beneficial interests in the 2025 Bonds will be made in book-entry form. Accordingly, principal and redemption premium (if any) of and interest on the 2025 Bonds will be paid from the Pledged Revenues (as hereinafter defined) and other portions of the Trust Estate (as hereinafter defined), by U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) directly to DTC as the registered owner thereof. See “**DESCRIPTION OF THE 2025 BONDS—Book-Entry System**” herein.

The 2025 Bonds have been authorized by Ordinance No. 2022-1825 enacted on November 14, 2022 (the “Bond Ordinance”), by the County Council (the “Council”) of the County, pursuant to the authorization of the South Carolina Residential Improvement District Act (codified at Chapter 35 of Title 6, Code of Laws of South Carolina 1976, as amended (the “Act”). The Roselyn Residential Improvement District (the “District”), was created by Ordinance No. 2020-1691, enacted by the Council on December 14, 2020, as amended by Ordinance No. 2022-1829, enacted by the Council on November 14, 2022. The 2025 Bonds are being issued by the County pursuant to a Master Trust Indenture, dated as of August 1, 2025 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of August 1, 2025 (the “Supplemental Indenture,” together with the Master Indenture, the “Indenture”), by and between the County and the Trustee.

The 2025 Bonds are equally and ratably secured under the Indenture by a lien upon and pledge of (i) the Pledged Revenues, which are defined to mean the revenues derived from Assessments (as hereinafter defined) (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the “Assessments”), (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture (except for moneys transferred to the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund, relating to a Series of Bonds (as such terms are defined herein) other than the 2025 Bonds, and any investment earnings on such moneys) and (iii) such other property as may be contemplated by the Indenture (collectively, the “Trust Estate”). See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS**” herein.

Pursuant to the Indenture, the 2025 Bonds are subject to optional, extraordinary mandatory and mandatory sinking fund redemption at the times, in the amounts and at the redemption prices as more fully described herein under the caption “**DESCRIPTION OF THE 2025 BONDS—Redemption Provisions**.”

The proceeds from the sale of the 2025 Bonds, along with other available moneys, will be used to (i) finance a portion of the Series 2025 Project (as defined herein), including capitalized interest on the 2025 Bonds; (ii) fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2025 Bonds. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” herein.

THE 2025 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE OF SOUTH CAROLINA (“STATE”) CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2025 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. SEE “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS**.”

THE 2025 BONDS ARE NOT RATED. AN INVESTMENT IN THE 2025 BONDS IS SPECULATIVE IN NATURE, INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS NOT APPROPRIATE FOR UNSOPHISTICATED INVESTORS. A BONDHOLDER IS ADVISED TO READ THE ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO. SPECIAL REFERENCE IS MADE TO THE SECTIONS “**SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS**” AND “**BOND OWNERS’ RISKS**” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE 2025 BONDS.

THE 2025 BONDS MAY BE INITIALLY PURCHASED AND, PURSUANT TO THE INDENTURE, THEREAFTER TRANSFERRED, IN WHOLE OR IN PART ONLY TO “**ACCREDITED INVESTORS**” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED). SEE “**DESCRIPTION OF THE 2025 BONDS—GENERAL DESCRIPTION**” HEREIN.

This cover page contains certain information for quick reference only. It is not a summary of the 2025 Bonds. Investors must read the entire Preliminary Limited Offering Memorandum to obtain information essential to the making of an informed investment decision. The County deems this Preliminary Limited Offering Memorandum to be final as of this date for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission (“Rule 15c2-12”), except for information which may be omitted therefrom pursuant to Rule 15c2-12.

The 2025 Bonds are offered for delivery when, as and if issued by the County and accepted by the Underwriter and subject to the receipt of the approving legal opinion of Burr & Forman LLP, Columbia, South Carolina, Bond Counsel. Burr & Forman, LLP, Columbia, South Carolina, is also serving as disclosure counsel. GrayRobinson, P.A., Tampa, Florida, is serving as counsel to the Underwriter. Certain legal matters will be passed upon for the County by its County Attorney, Virginia L. Merck-Dupont; and for the Developer (as defined herein) by its counsel, Pope Flynn, LLC, Columbia, South Carolina. It is expected that the 2025 Bonds will be delivered in book-entry form through the facilities of DTC on or about August __, 2025.



This Limited Offering Memorandum is dated ____, 2025.

* Preliminary, subject to change.

* Throughout this Preliminary Official Statement, items marked with an asterisk are preliminary and subject to change.

LANCASTER COUNTY, SOUTH CAROLINA

**\$15,000,000* ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS, SERIES 2025**

MATURITY SCHEDULE

\$ _____ * _____ % Term Bond due June 1, _____, price _____, yield _____ %, CUSIP¹ _____

\$ _____ * _____ % Term Bond due June 1, _____, price _____, yield _____ %, CUSIP¹ _____

\$ _____ * _____ % Term Bond due June 1, _____, price _____, yield _____ %, CUSIP¹ _____

\$ _____ * _____ % Term Bond due June 1, _____, price _____, yield _____ %, CUSIP¹ _____

* Preliminary, subject to change.

¹ Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf American Bankers Association nu FactSet Research Systems, Inc. The CUSIP numbers listed above are being provided solely for the convenience of 2025 Bondholders only at the time of issuance of the 2025 Bonds and the County makes 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 being changed after the issuance of the 2025 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 2025 Bonds.

REGARDING USE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM

No broker, dealer, salesperson, or other person has been authorized by the County, the State or FMSbonds, Inc., as underwriter (the “Underwriter”), to give any information or to make any representations, other than those contained in this Preliminary Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, MuniCap, Inc. (the “Consultant”), Lennar Carolinas, LLC (the “Developer”), and other sources that are believed by the Underwriter to be reliable. The County, the Consultant and the Developer will all, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

The information set forth herein has been obtained from public documents, records and other sources, including the Developer, which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriter. The Underwriter has reviewed the information in this Preliminary Limited Offering Memorandum 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. The information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Preliminary Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the County, the Developer, or the Development (as such term is defined herein), since the date hereof.

Except the information with respect to the Trustee, the Trustee has not provided, or undertaken to determine the accuracy of any of the information contained in this Preliminary Limited Offering Memorandum, and the Trustee makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the 2025 Bonds, or (iii) the tax-exempt status of the interest on the 2025 Bonds.

THE 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2025 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

This Preliminary Limited Offering Memorandum contains certain “forward-looking statements” concerning the County and the Developer’s operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the County or the Developer. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

Certain information contained in this Preliminary Limited Offering Memorandum may have been obtained from sources other than records of the District and, while believed to be reliable, is not guaranteed as to completeness or accuracy. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Preliminary Limited Offering Memorandum for purposes of, and as that term is defined in Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

“Forward-looking statements” are used in this document by using forward looking words such as “may,” “will,” “should,” “intends,” “expects,” “believes,” “anticipates,” “estimates,” or others, including, without limitation, certain statements and information under the captions “INTRODUCTION—The District and the Development,” “ESTIMATED SOURCES AND USES OF BOND PROCEEDS,” “THE SERIES 2025 PROJECT AND THE PROJECT,” and “THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS—The Development.” The reader is cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, conditions in the financial markets and real estate market, the collection of the Assessments by the County, and various other factors which may be beyond the County’s and the Developer’s control. Because the County and the Developer cannot predict all factors that may affect future decisions, actions, events, or financial circumstances, what actually happens may be different from what is included in forward-looking statements. The

achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County and the Developer do not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations or events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

COUNTY ADMINISTRATOR

Dennis Marstall

COUNTY COUNCIL MEMBERS

Brian Carnes, Chairman
Stuart Graham
Steve Harper
Jose Luis
Charlene McGriff
Billy Mosteller
Bryant Neal

COUNTY ATTORNEY

Virginia L. Merck-Dupont

BOND AND DISCLOSURE COUNSEL

Burr & Forman, LLP
Columbia, South Carolina

DEVELOPER

Lennar Carolinas, LLC
Charlotte, North Carolina

COUNSEL TO THE DEVELOPER

Pope Flynn, LLC
Columbia, South Carolina

CONSULTANT

MuniCap, Inc.
Columbia, Maryland

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| INTRODUCTION..... | 1 |
| AUTHORIZATION | 1 |
| THE DISTRICT AND THE DEVELOPMENT | 1 |
| THE DEVELOPER AND THE CURRENT LANDOWNERS | 2 |
| USE OF PROCEEDS OF THE 2025 BONDS..... | 2 |
| SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS | 2 |
| NO OBLIGATION OF COUNTY WITH RESPECT TO THE 2025 BONDS | 2 |
| CONSULTANT | 3 |
| BOND OWNERS' RISKS | 3 |
| GENERAL INFORMATION RELATING TO THE 2025 BONDS | 3 |
| REDEMPTION | 3 |
| NOTICES TO BOND OWNERS | 4 |
| SECONDARY MARKET DISCLOSURE..... | 4 |
| TAX TREATMENT..... | 4 |
| ADDITIONAL INFORMATION | 5 |
| DESCRIPTION OF THE 2025 BONDS | 5 |
| GENERAL DESCRIPTION..... | 5 |
| REDEMPTION PROVISIONS..... | 6 |
| NOTICE OF REDEMPTION..... | 9 |
| ADDITIONAL INFORMATION CONCERNING THE 2025 BONDS | 9 |
| BOOK-ENTRY SYSTEM | 9 |
| DISCONTINUANCE OF BOOK-ENTRY SYSTEM..... | 12 |
| DEBT SERVICE REQUIREMENTS | 13 |
| ESTIMATED SOURCES AND USES OF BOND PROCEEDS | 14 |
| THE SERIES 2025 PROJECT AND THE PROJECT..... | 14 |
| SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS | 17 |
| GENERAL..... | 17 |
| DEBT SERVICE RESERVE FUND | 17 |
| OTHER FUNDS AND ACCOUNTS CREATED UNDER THE INDENTURE | 18 |
| DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS | 19 |
| ADDITIONAL BONDS | 21 |
| INVESTMENTS | 21 |
| CERTAIN COVENANTS OF THE COUNTY..... | 22 |
| ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES | 22 |
| GENERAL..... | 22 |
| RATE STUDY..... | 23 |
| COLLECTION PROCEDURES | 24 |
| DELINQUENCIES; ENFORCEMENT; FORECLOSURE..... | 25 |

| | |
|--|-----------|
| THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS | 27 |
| THE DEVELOPMENT | 27 |
| THE DEVELOPER AND THE CURRENT LANDOWNERS | 38 |
| BOND OWNERS' RISKS..... | 39 |
| RISK FACTORS | 39 |
| LIMITATIONS AND COLLECTABILITY OF ASSETS..... | 39 |
| DEVELOPMENT RISKS | 40 |
| IMPACT OF ENVIRONMENTAL CONDITIONS ON VALUE..... | 40 |
| LIMITED RECOURSE | 41 |
| TIMELY PAYMENT OF ASSESSMENTS | 41 |
| VALUE OF REAL PROPERTY..... | 41 |
| MARKET AND COMPETITION | 41 |
| ASSESSMENT DELINQUENCIES..... | 41 |
| POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS..... | 42 |
| BANKRUPTCY | 43 |
| EXEMPT PROPERTIES | 43 |
| INSUFFICIENCY OF ASSESSMENTS | 43 |
| DISCLOSURE TO FUTURE PROPERTY PURCHASERS | 44 |
| NO ACCELERATION PROVISION | 44 |
| ILLIQUIDITY OF 2025 BONDS AND LIMITED SECONDARY MARKET..... | 44 |
| LOSS OF TAX EXEMPTION..... | 44 |
| OTHER ASSESSMENTS AND TAXES | 44 |
| LEGISLATIVE INITIATIVES..... | 45 |
| FAILURE TO DEVELOP PROPERTIES..... | 45 |
| LIMITED SOURCES OF FUNDS FOR FUTURE INFRASTRUCTURE AND LAND DEVELOPMENT COSTS | 45 |
| DIRECT AND OVERLAPPING INDEBTEDNESS, ASSESSMENTS AND TAXES..... | 46 |
| IRS EXAMINATION AND AUDIT RISK; FEDERAL TAX REFORM..... | 46 |
| CYBERSECURITY..... | 47 |
| PANDEMICS AND OTHER PUBLIC HEALTH EMERGENCIES | 48 |
| ADDITIONAL RISKS..... | 48 |
| TAX TREATMENT | 48 |
| FEDERAL TAX TREATMENT | 48 |
| ORIGINAL ISSUE DISCOUNT | 49 |
| ORIGINAL ISSUE PREMIUM..... | 49 |
| CHANGE IN LAW | 49 |
| IRS AUDIT | 50 |
| STATE TAX TREATMENT | 50 |
| SUITABILITY FOR INVESTMENT | 50 |
| ENFORCEABILITY OF REMEDIES | 50 |
| LITIGATION..... | 51 |
| CONTINUING DISCLOSURE | 51 |
| UNDERWRITING..... | 53 |

| | |
|---|---|
| NO RATING | 53 |
| LEGAL MATTERS..... | 53 |
| CONTINGENT AND OTHER FEES | 54 |
| FORWARD-LOOKING STATEMENTS | 54 |
| MISCELLANEOUS | 54 |
| APPENDIX A | ASSESSMENT ROLL, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS |
| APPENDIX B | ASSESSMENT BILLING FORECAST REPORT |
| APPENDIX C | OPINION OF BOND COUNSEL |
| APPENDIX D | FORMS OF CONTINUING DISCLOSURE AGREEMENTS |
| APPENDIX E | SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE |
| APPENDIX F | INFORMATION REGARDING LANCASTER COUNTY, SOUTH CAROLINA |

PRELIMINARY LIMITED OFFERING MEMORANDUM SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the detailed information appearing elsewhere in this Preliminary Limited Offering Memorandum. The reader should refer particularly to sections that are indicated for more detailed information.

The Issuer Lancaster County, South Carolina (the “Issuer” or the “County”), a body politic and political subdivision organized and existing under the Constitution and laws of the State of South Carolina (the “State”).

The Developer and the Current Landowners Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”), has entered into land bank arrangements with KLLB BUY 1, LLC and Millrose Properties South Carolina, LLC (together, the “Current Landowners”) pursuant to which the Developer will manage the installation of the infrastructure for the applicable Phases of the Development and take down lots over time. To date, the Developer has taken down 108 lots in Phases 1 and 2 of the Development.

The Development Roselyn (the “Development”), is anticipated to be an approximately 1,395-acre master-planned residential community located in the northern portion of Lancaster County, South Carolina. Located approximately 25 miles south of Charlotte, North Carolina, the Development consists of seven major phases, each expected to have multiple sub-phases, of construction that are anticipated to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, as well as an approximately 84-acre county park to be developed and constructed by the County adjacent to the Development.

The District Roselyn Residential Improvement District (the “District”), is a residential improvement district created pursuant to the South Carolina Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Act”). The District’s boundaries are generally coterminous with those of the Development.

Collection by the County The County has adopted proceedings to fund the costs of financing the Project, which includes the Series 2025 Project (as such terms are defined herein), through the imposition and collection of the Assessments (as defined herein). The Assessments constitute a lien on the real property in the District, superior to all other liens except the liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes. If the owner of any lot or parcel of land is delinquent in the payment of

any tax or assessment, including the Assessments, then the County Treasurer will move, as provided by law, to collect delinquent taxes, assessments, including the Assessments, penalties, and costs for their collection.

**Description of the
2025 Bonds**

The \$15,000,000* Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the “2025 Bonds”) of the County are dated August __, 2025, and mature on June 1 in each of the years and in the amounts set forth on the inside cover page hereof. Interest on the 2025 Bonds accrues at the respective rates shown on the inside cover hereof from the date of initial delivery thereof and is payable on December 1, 2025, and on each June 1 and December 1 thereafter until maturity or prior redemption. The 2025 Bonds have been authorized by Ordinance 2022-1825 enacted by the Council on November 14, 2022, pursuant to the authorization of the Act. The 2025 Bonds are being issued pursuant to a Master Trust Indenture, dated as of August 1, 2025 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of August 1, 2025 (the “Supplemental Indenture,” together with the Master Indenture, the “Indenture”), by and between the County and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”).

Use of Proceeds

The proceeds from the sale of the 2025 Bonds, along with other available moneys, will be used to (i) finance a portion of the Series 2025 Project (as defined herein), including capitalized interest on the 2025 Bonds; (ii) fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2025 Bonds.

Redemption

The 2025 Bonds maturing on and after June 1, 20____, are subject to optional redemption prior to maturity, in whole or in part from time to time, on and after June 1, 20____, as described herein. The 2025 Bonds are also subject to Mandatory and Extraordinary Mandatory Redemption as described herein.

Mandatory Redemption

The 2025 Bonds maturing on June 1, 20____, are also subject to mandatory sinking fund redemption, by lot or other customary method of random selection designated by the Trustee, at a price equal to the principal amount thereof plus accrued interest to the date of redemption as described herein under as described herein.

Source of Payment

The 2025 Bonds and any Additional Bonds (as defined herein) are payable solely from and secured by a lien on and pledge of (i) the Pledged Revenues, which consist of, among other things, the revenues derived from assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County

* Preliminary, subject to change.

pursuant to the Act (the “Assessments”), (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2025 Bonds, and (iii) such other property as may be contemplated by the Indenture (collectively, the “Trust Estate”). See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS” herein.

As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.**

Within the limits of the Rate Study (as defined herein), the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the 2025 Bonds and any Additional Bonds and to pay all annual Administrative Expenses; provided, that in no event shall an annual billed Assessment exceed \$1,550 per Developed Parcel (as defined herein). However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study approved by the County.

THE 2025 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2025 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. NO OWNER OF 2025 BONDS OR ANY OTHER PERSON WILL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY *AD VALOREM* TAXING POWER OF THE COUNTY OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER

AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE OR THE 2025 BONDS.

Other Characteristics

The 2025 Bonds will be issued in fully registered form in the denomination of \$25,000 or integral multiples of \$5,000, and will be in book-entry-only form. See “**DESCRIPTION OF THE 2025 BONDS—Book-Entry System.**”

**Professionals Involved
In Offering**

Burr & Forman LLP, Columbia, South Carolina, is serving as Bond Counsel and Disclosure Counsel to the County. Virginia L. Merck-Dupont is serving as County Attorney. GrayRobinson, P.A., Tampa, Florida, is serving as legal counsel to the Underwriter, and Pope Flynn, LLC, Columbia South Carolina, is serving as legal counsel to the Developer. MuniCap, Inc., Columbia, Maryland, is serving as the assessment consultant for the District.

Legal Opinion

The legal opinion of Burr & Forman LLP Columbia, South Carolina, substantially in the form set forth in Appendix C hereto will be delivered on the date of delivery of the 2025 Bonds.

LANCASTER COUNTY, SOUTH CAROLINA

\$15,000,000* ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT ASSESSMENT REVENUE BONDS, SERIES 2025

INTRODUCTION

This Preliminary Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information in connection with the offering and issuing by Lancaster County, South Carolina (the “County”), of its \$15,000,000* Roselyn Residential Improvement District, Assessment Revenue Bonds, Series 2025 (the “2025 Bonds”).

Unless otherwise defined herein, capitalized terms used throughout this Preliminary Limited Offering Memorandum are defined in the Indenture (as defined herein), substantially final versions of which are included in Appendix E hereto.

This introduction briefly describes the contents of this Preliminary Limited Offering Memorandum and is qualified by reference to the entire contents hereof, including the Appendices hereto, as well as the documents summarized or described herein.

AUTHORIZATION

The 2025 Bonds have been authorized by Ordinance No. 2022-1825 enacted on November 14, 2022 (the “Bond Ordinance”), by the County Council (the “Council”) of the County, pursuant to the authorization of the South Carolina Residential Improvement District Act (codified at Chapter 35 of Title 6, Code of Laws of South Carolina 1976, as amended (the “Act”). The 2025 Bonds are being issued pursuant to a Master Trust Indenture, dated as of August 1, 2025 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture, dated as of August 1, 2025 (the “Supplemental Indenture,” together with the Master Indenture, the “Indenture”), by and between the County and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”).

THE DISTRICT AND THE DEVELOPMENT

The Roselyn Residential Improvement District (the “District”), was created by Ordinance 2020-1691, enacted by the Council on December 14, 2020, as amended by Ordinance No. 2022-1829, enacted by the Council on November 14, 2022 (as so amended, the “District Ordinance”). The District is located approximately 25 miles south of Charlotte, North Carolina (and approximately 35 miles south of uptown Charlotte), approximately 38 miles from Charlotte-Douglas International Airport and approximately 15 miles from Interstate 485, the outer beltway around Charlotte. The District’s boundaries are generally coterminous with those of the Development (as defined herein).

Roselyn (the “Development”) is anticipated to be an approximately 1,395-acre master-planned residential community located in the northern portion of the County. The Development consists of seven major phases, each expected to have multiple smaller phases, of construction that are projected to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, and an approximately 84-acre county park. For maps of the District and the Development, see “**THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS – THE DEVELOPMENT – General.**”

Phases 1 and 2 of the Development are expected to be fully developed by December 2026. The remaining phases of the Development are expected to be fully developed by December 2032. See “**THE**

* Preliminary, subject to change.

DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS – THE DEVELOPMENT – *Development Plan, Status, and Absorption.*

THE DEVELOPER AND THE CURRENT LANDOWNERS

The Developer is Lennar Carolinas, LLC, a Delaware limited liability company. The Developer has entered into land bank arrangements with KLLB BUY 1, LLC (“KLLB”), with respect to Phases 1 and 2 of the Development, and Millrose Properties South Carolina, LLC (“Millrose” and, together with KLLB, the “Current Landowners”), with respect to Phases 3, 4, 5, 6 and 7 of the Development, pursuant to which the Developer will manage the installation of the infrastructure for the applicable Phases of the Development and take down lots over time. To date, the Developer has taken down 108 lots in Phases 1 and 2 of the Development. See “**THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS—THE DEVELOPER AND THE CURRENT LANDOWNERS**” herein.

USE OF PROCEEDS OF THE 2025 BONDS

The proceeds from the sale of the 2025 Bonds, along with other available moneys, will be used to (i) finance a portion of the Series 2025 Project (as defined herein), including capitalized interest on the 2025 Bonds; (ii) fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement (as such terms are defined herein); and (iii) pay certain costs and expenses relating to the issuance of the 2025 Bonds. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” and “**THE SERIES 2025 PROJECT AND THE PROJECT**” herein.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS

The 2025 Bonds and any Additional Bonds (as defined herein) are payable solely from and secured by a lien and pledge of (i) the Pledged Revenues, which consist of, among other things, assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the “Assessments”), (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2025 Bonds, and (iii) such other property as may be contemplated by the Indenture (collectively, the “Trust Estate”). See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS**” herein.

As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State of South Carolina (the “State”) case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.**

NO OBLIGATION OF COUNTY WITH RESPECT TO THE 2025 BONDS

The 2025 Bonds and the interest thereon are not payable from, nor are they a charge upon, any funds or revenues other than the Trust Estate. The 2025 Bonds do not constitute a general obligation or indebtedness of the County within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14(10) of the State Constitution authorizing indebtedness payable solely from a source of revenues derived other than from a tax or license), and the 2025 Bonds do not constitute either a pledge of the full faith and credit or a charge against the general credit or taxing power of the County. No owner of 2025 Bonds or any other person will ever have the right to compel the exercise of any *ad valorem* taxing power of the County or any other public authority or governmental body to pay debt service or to

pay any other amounts required to be paid pursuant to the Master Indenture, the Supplemental Indenture or the 2025 Bonds. See **“SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS”** herein.

CONSULTANT

MuniCap, Inc., a consulting firm (“MuniCap” or “Consultant”), developed the Assessment Roll for the District, including the Rate and Method of Apportionment of Assessments attached as an appendix thereto (the “Rate Study”), set forth in Appendix A hereto (the “Assessment Roll”).

BOND OWNERS’ RISKS

The purchase of the 2025 Bonds involves significant risks to the registered owners of the 2025 Bonds (the “Bond Owners”). Payment of debt service on the 2025 Bonds may be dependent on, among other things, the commercial success of the Development and upon timely payment of the Assessments. There can be no assurance that these or any other risks will not affect the willingness or ability of the Developer, the Current Landowners and any subsequent owners of real property in the District (together with the Developer and the Current Landowners, the “Landowners”) to make timely payment of the Assessments. See **“BOND OWNERS’ RISKS”** and **“SUITABILITY FOR INVESTMENT”** herein for a discussion of certain risk factors which should be considered, in addition to the matters set forth herein, when evaluating the investment quality of the 2025 Bonds.

GENERAL INFORMATION RELATING TO THE 2025 BONDS

The 2025 Bonds will be dated the date of their delivery, will be issued in one series and will mature in the years and amounts and will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at such rates, payable semiannually on June 1 and December 1 (each, an “Interest Payment Date”), commencing December 1, 2025, all as set forth on the inside cover page of this Preliminary Limited Offering Memorandum.

The 2025 Bonds are issuable as fully registered bonds in authorized denominations of \$25,000 or integral multiples of \$5,000. Initially, a single bond for each maturity shall be issued and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the 2025 Bonds will be made in book-entry form only.

THE 2025 BONDS MAY BE INITIALLY PURCHASED AND, PURSUANT TO THE INDENTURE, SUBSEQUENTLY TRANSFERRED IN WHOLE OR IN PART ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED). SEE “DESCRIPTION OF THE 2025 BONDS—GENERAL DESCRIPTION” HEREIN.

REDEMPTION

The 2025 Bonds maturing June 1, 20____, are subject to mandatory redemption on each June 1, commencing June 1, 20____. See **“DESCRIPTION OF THE 2025 BONDS—REDEMPTION PROVISIONS”** herein.

The 2025 Bonds maturing on or after June 1, 20____, shall be subject to redemption at the option of the County as a whole or in part, at any time on or after June 1, 20____ (less than all 2025 Bonds to be selected by lot), at the redemption prices (plus accrued interest from the most recent Interest Payment Date to the redemption date) as set forth in **“DESCRIPTION OF THE 2025 BONDS—REDEMPTION PROVISIONS”** herein.

The 2025 Bonds are subject to extraordinary mandatory redemption by the County prior to maturity in whole, on any date, or in part, on any Interest Payment Date, at the redemption price of 100% of the principal amount of the 2025 Bonds to be redeemed, without premium, if any of the following events occur and funds are deposited into the Series 2025 Prepayment Account or the Series 2025 General Account within the Bond Redemption Fund in connection therewith: (i) Landowners prepay any Assessments prior to the time such Assessments are due; (ii) the amounts on deposit in the Series 2025 Accounts and Series 2025 Sub-accounts in the Series 2025 Funds and Series 2025 Accounts are sufficient to pay and redeem all of the 2025 Bonds then Outstanding, including accrued interest thereon; (iii) on or after the Series 2025 Completion Date, from amounts remaining in the Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund (the “Series 2025 Acquisition and Construction Account”) not reserved by the Issuer for payment of any remaining part of the Series 2025 Project, or certain amounts remaining in the Series 2025 Capitalized Interest Sub-account within the Series 2025 Interest Account of the Debt Service Fund (the “Series 2025 Capitalized Interest Account”) and not needed to pay capitalized interest on the 2025 Bonds through December 1, 2025; (iv) excess moneys are available and transferred from the Series 2025 Revenue Account to the Series 2025 General Account within the Bond Redemption Fund; (v) after condemnation or sale of any portion of the Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2025 Project to the Trustee for deposit into the Series 2025 General Account within the Bond Redemption Fund; (v) after the damage or destruction of all or substantially all of the Series 2025 Project to such extent that, in the reasonable opinion of the County, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the County to the Trustee for deposit to the Series 2025 General Account within the Bond Redemption Fund; and (vi) the amounts on deposit in the Series 2025 Debt Service Reserve Account are in excess of the Series 2025 Debt Service Reserve Requirement as provided in the Indenture. See **“DESCRIPTION OF THE 2025 BONDS—Redemption Provisions”** and **“SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS”** herein.

NOTICES TO BOND OWNERS

Redemption notices to the Bond Owners will be given not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Bond Owners whose 2025 Bonds are called for redemption at their addresses appearing on the registration books for the 2025 Bonds. So long as a book-entry only system is used for registration of the 2025 Bonds, any notice of redemption or other notices will be sent only to DTC or its nominee, as the registered owner of the 2025 Bonds.

SECONDARY MARKET DISCLOSURE

The Developer and the County have agreed to provide certain financial information, operating information and notice of the occurrence of certain events with respect to the 2025 Bonds, if material. See **“CONTINUING DISCLOSURE”** herein and Appendix D, **“FORMS OF CONTINUING DISCLOSURE AGREEMENTS”** hereto.

TAX TREATMENT

Assuming compliance by the County with certain covenants, interest on the 2025 Bonds is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Under the present laws of the State of South Carolina, the 2025 Bonds and the interest thereon will be exempt from all South Carolina income taxation except estate or other transfer taxes and certain franchise tax. The opinion contains greater detail, and is subject to exceptions, as noted in **“TAX TREATMENT”** herein.

ADDITIONAL INFORMATION

Prospective investors in the 2025 Bonds should read this entire Preliminary Limited Offering Memorandum, including the appendices hereto, in order to make an informed investment decision. The appendices to, and all footnotes in, this Preliminary Limited Offering Memorandum constitute a part of this Preliminary Limited Offering Memorandum and contain information which any potential investor should read in conjunction with the other parts of this Preliminary Limited Offering Memorandum in order to make an informed investment decision. This Preliminary Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

There follows in this Preliminary Limited Offering Memorandum a brief description of the District, the Series 2025 Project, the Project, the Developer, the Development and the County, together with summaries of the terms of the 2025 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such document and statute and all references to the 2025 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. The information herein under the captions **“THE SERIES 2025 PROJECT AND THE PROJECT,” “THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS,”** and Appendices A, B and D (excluding the County’s Continuing Disclosure Agreement) have been furnished by the Developer or its agents and not by the County or the Underwriter.

DESCRIPTION OF THE 2025 BONDS

GENERAL DESCRIPTION

The 2025 Bonds are issuable as fully registered bonds in authorized denominations of \$25,000 or integral multiples of \$5,000.

The 2025 Bonds will be dated their date of delivery, and will bear interest at the fixed rates per annum set forth on the inside cover page hereof from the Interest Payment Date to which interest has been paid next preceding their date of authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such 2025 Bond has been paid, in which event such 2025 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2025 Bonds, in which event, such 2025 Bond shall bear interest from its date. Interest on the 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The 2025 Bonds will mature, subject to the redemption provisions set forth below, on the dates and in the amounts set forth on the inside cover page hereof.

The 2025 Bonds will be initially issued in the form of a single fully registered certificate for each maturity thereof. Upon initial issuance, the ownership of the 2025 Bonds will be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the initial bond depository. All of the Outstanding 2025 Bonds will be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC (see **“DESCRIPTION OF THE 2025 BONDS-BOOK-ENTRY SYSTEM”**).

During the period for which Cede & Co. is the registered owner of the 2025 Bonds, any notices to be provided to owners of 2025 Bonds will be provided to Cede & Co. DTC will be responsible for notices to Direct Participants and Direct Participants will be responsible for notices to Indirect Participants, and Direct Participants and Indirect Participants will be responsible for notices to Beneficial Owners (as such terms are hereinafter defined).

The Indenture provides that the County, the Trustee or the Paying Agent will deem and treat the person in whose name any 2025 Bond is registered as the absolute owner thereof (whether or not such 2025 Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the County, the Trustee or any Paying Agent) for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such 2025 Bond, and for all other purposes, and the County, the Trustee and any Paying Agent will not be affected by any notice to the contrary. All such payments so made to any such owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such 2025 Bond.

THE 2025 BONDS MAY BE INITIALLY PURCHASED AND, PURSUANT TO THE INDENTURE, SUBSEQUENTLY TRANSFERRED IN WHOLE OR IN PART ONLY TO “ACCREDITED INVESTORS” (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED).

U.S. Bank Trust Company, National Association, Columbia, South Carolina, is the Trustee and Paying Agent for the 2025 Bonds.

REDEMPTION PROVISIONS

Optional Redemption

The 2025 Bonds are not subject to optional redemption prior to June 1, 20___. The 2025 Bonds may, at the option of the County, be called for redemption prior to maturity as a whole, at any time, or in part on any Interest Payment Date, on or after June 1, 20___, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the date of redemption.

If less than all of the 2025 Bonds are called for redemption, the Trustee will select the 2025 Bonds or portions of the 2025 Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. The portion of 2025 Bonds to be redeemed shall be in an Authorized Denomination.

[Remainder of page intentionally blank.]

Mandatory Redemption

The 2025 Bonds are subject to mandatory redemption in part by the County by lot prior to their scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the Indenture in satisfaction of Sinking Fund Installments (as defined in the Indenture) at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on June 1 of the years and in the principal amounts set forth below:

| <u>YEAR</u> | <u>AMOUNT</u> | <u>YEAR</u> | <u>AMOUNT</u> |
|-------------|---------------|-------------|---------------|
|-------------|---------------|-------------|---------------|

[†]Final Maturity

As more particularly set forth in the Indenture, any 2025 Bonds that are purchased by the County with amounts held to pay a Sinking Fund Installment will be cancelled and the principal amount so purchased will be applied as a credit against the Sinking Fund Installment of 2025 Bonds. In addition, the above Sinking Fund Installments are subject to recalculation, as provided in the Indenture, as the result of certain purchases or the redemption of 2025 Bonds other than in accordance with scheduled Sinking Fund Installments so as to re-amortize the remaining Outstanding principal of the 2025 Bonds.

Extraordinary Mandatory Redemption

The 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the County in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price of 100% of the principal amount of the 2025 Bonds to be redeemed, without premium, plus interest accrued to the date of redemption, as follows:

(a) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Account within the Bond Redemption Fund following the payment in whole or in part of Assessments on any portion of the property within the District in accordance with the provisions of the Indenture and the Assessment Roll, including excess moneys transferred from the Series 2025 Debt Service Reserve Account to the Series 2025 General Account within the Bond Redemption Fund resulting from such Assessment prepayments pursuant to the Indenture (for more information regarding Prepayments and the right to prepay Assessments, see “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS—DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS**” and “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—COLLECTION PROCEDURES**” herein); or

(b) from moneys, if any, on deposit in the Series 2025 Accounts and Series 2025 Subaccounts in the Series 2025 Funds and Series 2025 Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding 2025 Bonds, and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Indenture; or

(c) on or after the Series 2025 Completion Date (as defined herein) but subject to the provisions of the Indenture described in the fifth paragraph under “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS – DEBT SERVICE RESERVE FUND**” herein, by application of moneys remaining in the Series 2025 Acquisition and Construction Account not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2025 Project; and on or after December 1, 2025, by application of any moneys remaining in the Series 2025 Capitalized Interest Account representing Capitalized Interest in excess of the amount required to pay interest on the 2025 Bonds through December 1, 2025, all of which will be transferred to the Series 2025 General Account within the Bond Redemption Fund, credited toward extinguishment of the Assessments and applied toward the redemption of the 2025 Bonds in accordance with the Indenture; or

(d) from excess moneys transferred from the Series 2025 Revenue Account to the Series 2025 General Account within the Bond Redemption Fund in accordance with the Indenture; or

(e) following condemnation or the sale of any portion of the Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Project to the Trustee by or on behalf of the County for deposit into the Series 2025 General Account within the Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the County to redeem 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments which the County will describe to the Trustee in writing; or

(f) following the damage or destruction of all or substantially all of the Project to such extent that, in the reasonable opinion of the County, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the County to the Trustee for deposit to the Series 2025 General Account within the Bond Redemption Fund which moneys shall be applied by the Issuer to redeem 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments; provided, however, that at least 45 days prior to such extraordinary mandatory redemption, the County will cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Civil Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or

(g) from amounts on deposit in the Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement, and transferred to the Series 2025 General Account within the Bond Redemption Fund in accordance with the Indenture to be used for the extraordinary mandatory redemption of the 2025 Bonds (see “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS—DEBT SERVICE RESERVE FUND**” herein); or

(h) from amounts on deposit in the Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement and transferred to the Series 2025 Prepayment Account within the Bond Redemption Fund in accordance with the Indenture to be

used, together with any Assessment prepayments on deposit in the Series 2025 Prepayment Account within the Bond Redemption Fund for the extraordinary mandatory redemption of the 2025 Bonds.

If less than all of the 2025 Bonds are to be redeemed pursuant to an Extraordinary Mandatory Redemption, the Trustee will, except as otherwise provided in the Indenture, select the 2025 Bonds or portions of the 2025 Bonds to be redeemed by lot. The portion of 2025 Bonds to be redeemed shall be in an Authorized Denomination.

NOTICE OF REDEMPTION

The Trustee will cause notice of each redemption, either in whole or in part, to be mailed at least 30 but not more than 60 days prior to the redemption or purchase date to all Owners of 2025 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the Business Day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the 2025 Bonds for which notice was duly mailed in accordance with the Indenture. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all 2025 Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the 2025 Bonds called for redemption shall be payable on the redemption date at the Redemption Price plus accrued interest, if any, to the redemption date. 2025 Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

ADDITIONAL INFORMATION CONCERNING THE 2025 BONDS

For additional information concerning the 2025 Bonds, see Appendix E, “**SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE.**”

BOOK-ENTRY SYSTEM

Beneficial ownership interests in the 2025 Bonds will be available only in book-entry form. Beneficial owners of the 2025 Bonds (“Beneficial Owners”) will not receive a physical bond certificate representing their interests in the 2025 Bonds purchased. Unless and until the book-entry system has been discontinued, the 2025 Bonds will be available only in book-entry form in principal amounts of \$5,000, or any integral multiple thereof. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, IS THE REGISTERED OWNER OF THE 2025 BONDS, REFERENCES IN THIS PRELIMINARY LIMITED OFFERING MEMORANDUM TO THE OWNERS OF THE 2025 BONDS SHALL MEAN DTC OR ITS NOMINEE AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

DTC PROVIDES THE FOLLOWING LANGUAGE DESCRIBING ITS PROCEDURES AND RECORDKEEPING ON BENEFICIAL OWNERSHIP INTEREST IN THE 2025 BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE 2025 BONDS TO DTC PARTICIPANTS (AS DEFINED BELOW) OR TO BENEFICIAL OWNERS OF THE 2025 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2025 BONDS, AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS FOR INCLUSION IN OFFERING DOCUMENTS. ACCORDINGLY, THE COUNTY MAKES NO REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the 2025 Bonds. The 2025 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 2025 Bond in the aggregate principal amount of each maturity of the 2025 Bonds 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2025 Bonds, unless the use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all of the 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2025 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the enabling documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2025 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Trustee as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2025 BONDS FOR SUBSTANTIALLY ALL PURPOSES, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF THE BENEFICIAL OWNERS IS UNKNOWN TO THE COUNTY, TO DTC OR TO THE TRUSTEE, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2025 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Payments of principal, interest and any redemption premiums on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Trustee's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE COUNTY CAN GIVE NO ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its service as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Trustee or the County. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The County may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

The County and the Trustee have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the 2025 Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any

Beneficial Owner which is required or permitted under the Bond Ordinance to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the 2025 Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the 2025 Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The County and the Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the 2025 Bonds (1) payments of principal of, premium, if any, and interest with respect to the 2025 Bonds, (2) confirmations of their ownership interests in the 2025 Bonds or (3) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the 2025 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Preliminary Limited Offering Memorandum.

Beneficial Owners of the 2025 Bonds may experience some delay in their receipt of distributions of principal and interest on the 2025 Bonds since such distributions will be forwarded by the Trustee to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the 2025 Bonds in book-entry form may reduce the liquidity of the 2025 Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, because transactions in the 2025 Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge 2025 Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to the lack of a physical certificate.

DISCONTINUANCE OF BOOK-ENTRY SYSTEM

In the event that the 2025 Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the County will execute and deliver 2025 Bonds in fully registered form to the Beneficial Owners of the 2025 Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named, interest on the 2025 Bonds will be paid by check or draft of the Trustee, mailed to the person in whose name the 2025 Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the registered owner at maturity upon presentation and surrender thereof to the Trustee at its principal corporate trust office. In such event, the County will maintain through the Trustee books of registry for the purpose of registering ownership and transfer of the 2025 Bonds. The 2025 Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the 2025 Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Trustee will, upon receipt thereof, authenticate and deliver a new 2025 Bond or 2025 Bonds in like principal amount as the 2025 Bond so presented. The County and the Trustee will deem and treat the person in whose name each 2025 Bond is registered as the absolute owner thereof for all purposes.

DEBT SERVICE REQUIREMENTS

The following presents the debt service schedule for the 2025 Bonds based on the maturity dates and interest rates set forth on the inside cover of this Preliminary Limited Offering Memorandum and the mandatory redemption requirements applicable to the 2025 Bonds set forth above:

| YEAR ENDING DECEMBER 31 | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE |
|------------------------------------|------------------|-----------------|-------------------------------|
| 2030 | | | |
| 2031 | | | |
| 2032 | | | |
| 2033 | | | |
| 2034 | | | |
| 2035 | | | |
| 2036 | | | |
| 2037 | | | |
| 2038 | | | |
| 2039 | | | |
| 2040 | | | |
| 2041 | | | |
| 2042 | | | |
| 2043 | | | |
| 2044 | | | |
| 2045 | | | |
| 2046 | | | |
| 2047 | | | |
| 2048 | | | |
| 2049 | | | |
| 2050 | | | |
| 2051 | | | |
| 2052 | | | |
| 2053 | | | |
| 2054 | | | |
| Total | | | |

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

| | <u>TOTAL</u> |
|--|--------------|
| Sources of Funds | |
| Principal amount of the 2025 Bonds | |
| [Plus][Less] net original issue [premium][discount] | |
| TOTAL SOURCES | |
| Uses of Funds | |
| Deposit to Series 2025 Acquisition and Construction Account | |
| Deposit to Series 2025 Capitalized Interest Account ¹ | |
| Deposit to Series 2025 Debt Service Reserve Account | |
| Deposit to Administrative Expense Fund | |
| Costs of Issuance ² | |
| TOTAL USES | |

¹ Capitalized interest through December 1, 2025.

² Includes legal and consultants fees, Underwriter fees, fees of the Trustee, other costs related to the issuance of the 2025 Bonds, and rounding.

THE SERIES 2025 PROJECT AND THE PROJECT

The Issuer is issuing the 2025 Bonds in order to finance a portion of the costs of the infrastructure necessary to allow for the full development of Phases 1 and 2 of the Development, including the roadways, and onsite and offsite water and sewer infrastructure (the “Series 2025 Project”), to pay capitalized interest on the 2025 Bonds, to fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement, and to pay costs and expenses relating to the issuance of the 2025 Bonds. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” herein.

The Series 2025 Project consists of certain master infrastructure that is required for the development of Phases 1 and 2 and future phases of the Development, as well as infrastructure that is specific to Phases 1 and 2 of the Development. The Developer estimates that the total cost of the infrastructure included within the Series 2025 Project is approximately \$54,603,417. The net proceeds of the 2025 Bonds to be deposited into the Series 2025 Acquisition and Construction Account and used to pay the cost to acquire the Series 2025 Project will be approximately \$13,700,000, and any additional moneys needed to complete the Series 2025 Project or other portions of the Development will be paid for by the Developer.

The table on the following page provides a list of the components of infrastructure that are included in the Series 2025 Project, including the costs thereof (or the Developer’s estimate, as of April 21, 2025, thereof) and the dates of completion or anticipated completion, as applicable. Except as noted in the following table, all costs include engineering, design, permitting, construction monitoring costs, and various other miscellaneous costs associated with the construction of the Series 2025 Project.

| <u>Series 2025 Project</u> | <u>Total Budget (Estimated)</u> | <u>Estimated % Complete (as of 04.21.25)</u> | <u>Estimated Spent by Developer (as of 04.21.25)</u> | <u>Anticipated Substantial Completion Date</u> |
|---|---|--|--|--|
| Roselyn Avenue Phase 1 | \$10,500,000 | 98.00% | \$10,367,782 | Completed* |
| Roselyn Avenue Phase 1 Waterline | 2,199,099 | 100.00 | 2,199,099 | Completed |
| Roselyn Avenue Phase 2 | 8,100,346 | 83.00 | 6,691,635 | October 2025 |
| Roselyn Avenue Phase 2 Waterline | 2,886,559 | 100.00 | 2,886,560 | Completed |
| Gravity Sanitary Sewer Trunkline A | 3,479,552 | 100.00 | 3,548,252 | Completed |
| Gravity Sanitary Sewer Trunkline B | 1,324,167 | 100.00 | 1,347,480 | Completed |
| Pump Station #1 & Force main | 16,469,326 | 100.00 | 15,928,899 | Completed |
| Pump Station #2 & Force main | 2,120,485 | 100.00 | 1,916,295 | Completed |
| Intersection of Roselyn Ave. and Hwy. 521 - Access B | 500,000 | 29.10 | 145,654 | December 2026 |
| Intersection of N. Corner Rd. and Hwy. 521 | 100,000 | 0.00 | 0 | December 2026 |
| Intersection of Roselyn Ave. and Old Hickory Rd. - Access C | 275,300 | 0.00 | 0 | December 2026 |
| Intersection of Old Hickory Rd. and Hwy. 5 (Rock Hill Hwy.) | 500,000 | 0.00 | 0 | December 2026 |
| Soft Costs | <u>6,148,583</u> | <u>55.00</u> | <u>3,382,066</u> | N/A |
| TOTAL | \$54,603,417 | 88.67% | \$48,413,722 | |

* Roselyn Avenue Phase 1 project was completed in February 2025 but, as of April 21, 2025, contingency funds of \$132,218 remained unspent.

The Improvement Plan contemplates that the Series 2025 Project and additional public improvements and infrastructure (collectively, the “Project”) will be needed to support the Development.

As of April 21, 2025, Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”), has spent approximately \$93,787,186 towards land development activity associated with the entire Development. See “**THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS – THE DEVELOPMENT – Development Plan, Status, and Absorption**” herein for more information. Of this amount, the Developer has incurred approximately \$48,413,722 (as of April 21, 2025) in costs associated with the planning, engineering, permitting, construction and installation of the Series 2025 Project which includes infrastructure required to develop Phases 1 and 2 of the Development. The Developer estimates the total land development costs associated with the entire Development to be approximately \$267,930,345.97, of which approximately \$45,675,404.12 and \$27,167,310.29 are associated with Phase 1 and Phase 2, respectively; to date, approximately \$36,652,837.86 and \$1,867,870.20 have been spent for land development costs associated with Phase 1 and Phase 2, respectively.

The master roadway boulevard improvements serving Phases 1 and 2 of the Development were completed in early 2024. The pump station and sanitary sewer force main improvements serving Phases 1 and 2 of the Development were completed in February 2025. The gravity sanitary sewer trunkline improvements serving Phase 1 of the Development are complete and those serving Phase 2 (Trunk Line C) have not commenced, but are expected to commence in July or August 2025 and are expected to be completed by third quarter of 2026. The water line improvements serving Phases 1 and 2 of the Development were completed in January 2025. Construction of the offsite traffic improvements are complete except for improvements at Old Hickory Road and Highway 5, which are expected to be completed in 2027. The Developer has indicated that all permits necessary to construct the Project have either been obtained or are reasonably expected to be obtained in the ordinary course. More specifically, for Phases 1 and 2, all permits have been obtained for Phase 1 and for Phase 2A. All water and sewer, erosion control and county subdivision permits for the remainder of Phase 2 (Phases 2B and 2C) are expected to be obtained before the end of calendar year 2025. Permits for Phases 3 – 7 have not yet been obtained but are expected to be obtained in the ordinary course to correspond with the schedule for infrastructure construction.

The County and the Developer will enter into an Acquisition and Project Funding Agreement (the “Series 2025 Project Agreement”), at the time of issuance of the 2025 Bonds, which provides the procedures for the payment of the costs of the Series 2025 Project. Under the Series 2025 Project Agreement, the Developer has agreed to complete any portions of the Series 2025 Project not funded with proceeds of the 2025 Bonds. See “**BOND OWNERS’ RISKS – FAILURE TO DEVELOP PROPERTIES**” herein. The County will acquire the components of the Series 2025 Project in accordance with its standard procedures for the dedication of the applicable types of infrastructure. The County will only disburse the proceeds of the 2025 Bonds to pay costs of identifiable components of the Series 2025 Project that have been fully accepted by the County, and the Developer has provided documentation showing the costs of such components.

The Indenture authorizes the County, in its discretion, to issue one or more additional Series of Bonds (the “Additional Bonds”) to pay costs to acquire additional components of the Project required for the development of additional phases of the Development. See “**SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS – ADDITIONAL BONDS**” herein for more information. The Developer estimates that the cost of additional Projects required for full build-out of the Development will be \$36,022,106. The Assessment Proceedings contemplate the issuance of one or more additional Series of Bonds in an aggregate principal amount of approximately \$22,750,000 which would be used to finance the

costs of approximately \$17,270,000 of Projects. As of the date hereof, neither the County nor County Council has authorized the issuance of any Additional Bonds for such purposes.

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2025 BONDS

GENERAL

The principal and redemption premium, if any, of and interest on the 2025 Bonds and any Additional Bonds are secured equally and ratably by a lien upon and pledge of the Trust Estate, including (i) the Pledged Revenues, which consist of, among other things, the revenues derived from the assessments (including penalties, interest and expenses thereon) imposed within the District and collected by the County pursuant to the Act (the "Assessments"), (ii) the Pledged Funds, which consist of all of the moneys and funds held in the funds and accounts established pursuant to the Indenture, except for moneys and funds held in any Account established for a particular Series of Bonds in the Rebate Fund and moneys on deposit in any Series Account of the Debt Service Fund or Debt Service Reserve Fund relating to a Series of Bonds other than the 2025 Bonds, and (iii) such other property as may be contemplated by the Indenture. As provided in the Act, the Assessments constitute a lien on the real property in the District superior to all other liens except the liens for real property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for Assessments and the liens for real property taxes, and there is no State case law on point. **Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.** See "ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES" herein. The "ASSESSMENT ROLL FOR THE DISTRICT, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS" is included as Appendix A hereto. Also, see Appendix B, "ASSESSMENT BILLING FORECAST REPORT."

THE 2025 BONDS AND THE INTEREST THEREON ARE NOT PAYABLE FROM, NOR ARE THEY A CHARGE UPON, ANY FUNDS OR REVENUES OTHER THAN THE TRUST ESTATE UNDER THE INDENTURE. THE 2025 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE), AND THE 2025 BONDS DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY. NO OWNER OF 2025 BONDS OR ANY OTHER PERSON WILL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY *AD VALOREM* TAXING POWER OF THE COUNTY OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE OR THE 2025 BONDS.

DEBT SERVICE RESERVE FUND

The Indenture establishes a Series 2025 Debt Service Reserve Account in the Debt Service Reserve Fund (the "Series 2025 Debt Service Reserve Account") to be held by the Trustee as additional security to provide for the timely payment of principal, interest and redemption prices of the 2025 Bonds. The Series 2025 Debt Service Reserve Requirement is defined to mean, at the time of issuance of the 2025 Bonds, an

amount equal to 50% of the average annual Debt Service Requirement for Outstanding 2025 Bonds. See **“ESTIMATED SOURCES AND USES OF BOND PROCEEDS.”**

Except as described below, amounts on deposit in the Series 2025 Debt Service Reserve Account shall be used only for the purpose of making payments into the Series 2025 Interest Account and the Series 2025 Principal Account of the Debt Service Fund to pay debt service on the 2025 Bonds, and the Series 2025 Sinking Fund Account within the Debt Service Fund to provide for mandatory sinking fund redemption of 2025 Bonds, when due, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. Such Accounts shall consist only of cash and Investment Securities or in lieu of thereof, a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

On each June 1 and December 1 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee will determine the amount on deposit in the Series 2025 Debt Service Reserve Account and transfer any excess therein above the Series 2025 Debt Service Reserve Requirement for the 2025 Bonds to be deposited to the Series 2025 General Account within the 2025 Bond Redemption Fund to be used for the Extraordinary Mandatory Redemption of the 2025 Bonds as described under **“DESCRIPTION OF THE 2025 BONDS—REDEMPTION PROVISIONS—*Extraordinary Mandatory Redemption*”** herein.

Notwithstanding the foregoing paragraph and subject to the following paragraph, in the event that the amount of proceeds of the 2025 Bonds on deposit in the Series 2025 Debt Service Reserve Account exceeds the Series 2025 Debt Service Reserve Requirement with respect to the 2025 Bonds due to a decrease in the amount of 2025 Bonds that will be Outstanding as a result of an optional prepayment by the owner of a lot or parcel of land of an Assessments against such lot or parcel as provided in the Indenture, the amount to be released shall be transferred at the written direction of the County from the Series 2025 Debt Service Reserve Account to the Series 2025 Prepayment Account within the Bond Redemption Fund, as a credit against the Series 2025 Prepayment Principal otherwise required to be made by the owner of such lot or parcel as described under **“DESCRIPTION OF THE 2025 BONDS—REDEMPTION PROVISIONS—*Extraordinary Mandatory Redemption*”** herein.

OTHER FUNDS AND ACCOUNTS CREATED UNDER THE INDENTURE

Revenue Fund. The Indenture establishes the Revenue Fund for the 2025 Bonds and any Additional Bonds. Pursuant to the Indenture, the County covenants that it will levy Assessments, and evidence and certify the same to the County Treasurer or will cause the County Auditor to certify the same on the tax roll to the County Treasurer for collection by the County Treasurer and enforcement by the County Treasurer or the County, pursuant to the Act or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on 2025 Bonds issued and Outstanding under the Indenture. The County also covenants to cause any Assessments collected or otherwise received by it to be deposited with the Trustee within 30 days after receipt thereof for deposit into the Series 2025 Revenue Account within the Revenue Fund (except that amounts received as prepayments of Assessments will be designated by the County as such upon delivery to the Trustee and shall be deposited directly into the Series 2025 Prepayment Account within the Bond Redemption Fund, as described below). Amounts on deposit in the Revenue Fund shall be applied as described below under **“—DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.”**

Debt Service Fund. The Indenture establishes a Series 2025 Principal Account and a Series 2025 Interest Account for the 2025 Bonds in the Debt Service Fund. In addition, the Indenture establishes a Series 2025 Sinking Fund Account with respect to the 2025 Bonds. Amounts shall be deposited in the Debt Service Fund and its various accounts and subaccounts and applied in accordance with the terms and subject to the

conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

Bond Redemption Fund. The Indenture establishes a Bond Redemption Fund and within such Fund there is established a Series 2025 General Account and a Series 2025 Prepayment Account for the 2025 Bonds. Amounts shall be deposited in Bond Redemption Fund and its various accounts and applied in accordance with the terms and subject to the conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

Administrative Expenses Fund. The Indenture establishes the Administrative Expenses Fund, into which amounts shall be deposited and applied in accordance with the terms and subject to the conditions set forth in the Indenture, as described below under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**” Administrative Expenses is defined in the Rate Study to mean the actual or budgeted costs, as applicable, directly related to the administration of the District, including but not limited to: the costs of the recurring updates to the Assessment Roll; the costs of computing the Annual Installment and Annual Payment (as such terms are defined in the Assessment Roll); the costs of collecting the Annual Payment; the costs of remitting the Annual Payment to the Trustee; the costs of the Administrator (as defined herein) and Trustee (including their legal counsel) in the discharge of their duties; the costs of the County complying with arbitrage rebate requirements; the costs of the County of complying with securities disclosure requirements; County expenses for the billing, collection and enforcement of the Assessment or in any other way related to the District; and any other costs of the County related to the administration and operation of the District, including, without limitation, the costs of legal counsel and other consultants and advisors, and costs related to commencing foreclosure and pursuing collection of delinquent Annual Payments.

DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS

The County will deposit Pledged Revenues and Prepayments with the Trustee within 30 days of receipt thereof together with a written accounting setting forth the source of such Pledged Revenues and Prepayments. The Pledged Revenues shall be deposited in the Revenue Fund and the Prepayments shall be deposited in the Series 2025 Prepayment Account within the Bond Redemption Fund.

Moneys in the Series 2025 General Account within the Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, except for moneys received as prepayments of Assessments pursuant to the Indenture, to make such deposits into the Rebate Fund, if any, as the County may direct the Trustee in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2025 General Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for extraordinary mandatory redemption an amount of the 2025 Bonds equal to the amount of money transferred to the Series 2025 General Account within the Bond Redemption Fund pursuant to the Indenture for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of an Authorized Officer, to call for redemption on each Interest Payment Date on which the 2025 Bonds are subject to optional redemption pursuant to the Indenture such amount of 2025 Bonds as, with the

redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of 2025 Bonds shall be called for redemption at one time.

Moneys in the Series 2025 Prepayment Account of the Bond Redemption Fund (including all earnings on investments held in such Series 2025 Prepayment Account within the Bond Redemption Fund) shall be accumulated therein to be used to the extent that the need therefor arises to call for extraordinary mandatory redemption an amount of the 2025 Bonds equal to the amount of money transferred to the Series 2025 Prepayment Account within the Bond Redemption Fund pursuant to the Indenture, as appropriate, and as directed by the County pursuant to the Assessment Roll and the Assessment Ordinance, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in the Indenture, as appropriate, as more fully described above under **“DESCRIPTION OF THE 2025 BONDS—REDEMPTION PROVISIONS—*Extraordinary Mandatory Redemption.*”**

The Trustee will transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, there shall be deposited into the Administrative Expenses Fund the portion of the Assessments imposed and collected for the Administrative Expenses. The Trustee is authorized to pay such Administrative Expenses upon receipt of a written direction signed by an Authorized Officer;

SECOND, upon receipt but no later than the Business Day preceding the first June 1, commencing June 1, 2026, for which there remains an insufficient amount from the Series 2025 Bond proceeds (or investment earnings thereon) on deposit in the Series 2025 Capitalized Interest Sub-account to be applied to the payment of interest on the Series 2025 Bonds due on the next succeeding June 1, and no later than the Business Day next preceding each June 1 thereafter to the Series 2025 Interest Account within the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding June 1, less any amounts on deposit in the Series 2025 Interest Account not previously credited;

THIRD, not later than the Business Day next preceding (nor more than one year prior to), each Principal Payment Date, to the Series 2025 Principal Account within the Debt Service Fund, an amount equal to the principal amount of Series 2025 Bonds Outstanding maturing on June 1, [20__] and June 1, [20__], respectively, less any amounts on deposit in the Series 2025 Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first December 1, commencing December 1, 2025, for which there remains an insufficient amount from Series 2025 Bond proceeds (or investment earnings thereon) on deposit in the Series 2025 Capitalized Interest Sub-account to be applied to the payment of interest on the Series 2025 Bonds due on the next succeeding December 1, and upon receipt but no later than the Business Day next preceding each December 1 thereafter to the Series 2025 Interest Account within the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding December 1, less any amount on deposit in the Series 2025 Interest Account not previously credited;

FIFTH, not later than the Business Day next preceding (nor more than one year prior to), each June 1, commencing June 1, 20__, 20__ and 20__ (as applicable), to the Series 2025 Sinking Fund Account within the Debt Service Fund, an amount equal to the principal amount of the Series 2025 Bonds subject to sinking fund redemption on such June 1, less any amount on deposit in the Series 2025 Sinking Fund Account not previously credited;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while such 2025 Bonds remain Outstanding, to the Series 2025 Debt Service Reserve Account, an amount from the Series 2025 Revenue Account equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025 Debt Service Reserve Requirement for the 2025 Bonds; and

SEVENTH, subject to the following paragraph the balance of any moneys remaining after making the foregoing deposits shall remain therein.

The Trustee will within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the County, withdraw any moneys held for the credit of the Series 2025 Revenue Account to the credit of the Series 2025 General Account within the Bond Redemption Fund as determined by the County in accordance with the provisions of the Indenture; provided, that for so long as the Debt Service Requirements of the Series 2025 Bonds for a given calendar year consists solely of interest payments, any excess amounts held for the credit of the Revenue Fund after payment of such Debt Service Requirements will remain in the Revenue Fund and not be deposited to the Series 2025 General Account of the Bond Redemption Fund as provided above. Assessment prepayments will be deposited directly into the Series 2025 Prepayment Account of the Bond Redemption Fund as provided in the Indenture.

ADDITIONAL BONDS

Pursuant to the Indenture, the Issuer may issue one or more additional Series of Bonds under the Indenture and Supplemental Indentures (“Additional Bonds”) from time to time solely for the purpose of financing the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project, and to pay the costs of the issuance of such Bonds and any amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture); provided, however, that at the time of issuance of a Series of Additional Bonds, (a) the aggregate original principal amount of Bonds previously issued and the Additional Bonds to be issued (other than refunding Bonds) shall not exceed the lesser of (x) \$37,750,000 or (y) an aggregate of \$25,000 per estimated dwelling unit within the District, and (b) the scheduled principal and interest requirements on the Bonds previously issued and the Additional Bonds to be issued, plus estimated Administrative Expenses, shall not exceed \$1,550 per estimated dwelling unit with the District multiplied by 30 years over which the Assessments may be collected (including any Assessment previously collected), as the same shall be certified in writing by an Assessment Consultant.

In addition to the requirements of the Master Indenture, in the case of a Series of Additional Bonds to be issued for the purpose of refunding a Series of Bonds that was previously issued, a certificate of an Authorized Officer of the Issuer must be delivered to the Trustee demonstrating that the sum of the Debt Service Requirements of the refunding Series of Bonds will be less than the sum of the Debt Service Requirements of the Series of Bonds to be refunded with such refunding Series of Bonds.

The Additional Bonds will be secured by a pledge of the Trust Estate on a parity with the 2025 Bonds, meaning the Pledged Revenues are subject to deposit and transfer to various funds and accounts established under the Indenture with respect to any Additional Bonds issued hereafter, consistent with the timing and priority of such deposits and transfers made with respect to the 2025 Bonds as described above under “—**DEPOSIT AND APPLICATION OF THE PLEDGED REVENUES AND PREPAYMENTS.**”

INVESTMENTS

Earnings on investments in all of the Funds and Accounts held as security for the 2025 Bonds shall be invested only in Investment Securities.

As long as there exists no default under the Indenture and the amount in the Series 2025 Debt Service Reserve Account is not reduced below the Series 2025 Debt Service Reserve Requirement with respect to the 2025 Bonds, earnings on investments in such Series 2025 Debt Service Reserve Account shall be transferred to the Series 2025 Revenue Account of the Revenue Fund. Otherwise, earnings on investments in any Series 2025 Debt Service Reserve Account shall be retained therein until applied as set forth in the Indenture.

See Appendix E, “**SUBSTANTIALLY FINAL DRAFTS OF THE INDENTURE**” for more information regarding investments and valuation of investments under the Indenture.

CERTAIN COVENANTS OF THE COUNTY

Pursuant to the Indenture, the County has additionally covenanted:

(i) to not issue or incur any obligations payable from the proceeds of Assessments nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments other than the pledge of the Trust Estate under the Indenture; and

(ii) to not make or direct the making of any investment or other use of the proceeds of any 2025 Bonds which would cause the 2025 Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code and or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of the 2025 Bonds.

ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES

GENERAL

In accordance with the Act, the County has adopted the Assessment Proceedings to fund the costs of financing the Project through the imposition and collection of the Assessments. As provided in the Act, the Assessments constitute a lien on the real property in the District, superior to all other liens except the liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for special assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for special assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes. The *ad valorem* tax rate on real property in the District for the fiscal year ending June 30, 2025, is 345.5 mills.

The County has approved the Consultant to serve as the administrator for the District (the “Administrator”). The Consultant will advise the County in the update of the Assessment Roll and will assist the County with the administration of the District. The Consultant is a public finance consulting firm headquartered in Columbia, Maryland, with an office located in Charlotte, North Carolina, with a specialized practice providing services related to the formation and administration of special districts. These services include the preparation of special tax and assessment methodologies, calculation of annual special tax and assessment levies, and continuing disclosure and financial services related to the administration of special tax and assessment districts. The Consultant currently provides administration services to hundreds of special assessment and special tax districts in a number of states, including several in South Carolina and three in the County.

The methodology for setting, imposing and collecting the Assessments is more fully set forth in the Assessment Roll for the District attached hereto as part of Appendix A, which has been prepared by the

Consultant and approved by the Council. The Assessment Roll includes the Rate Study, which includes the terms and provisions related to the Assessments. A brief summary of the Rate Study follows.

Within the limits of the Rate Study, the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the 2025 Bonds and any Additional Bonds (together, the “Bonds”) and to pay all annual Administrative Expenses. However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study approved by the County.

The Assessments were imposed on the real property in the District in an amount equal to the amount necessary to pay debt service on the Bonds and the annual Administrative Expenses of the District and will be collected from the real property in the District. Pledged Revenues include the proceeds, if any, from any foreclosure actions brought following a delinquency in the payment of Assessments by any Landowner.

RATE STUDY

The Assessments have been imposed upon the parcels of real property within the District, excluding a parcel owned by the County, (each, a “Parcel”) in accordance with and as described in the Rate Study, within the Assessment Roll attached hereto as Appendix A. The Assessments will be allocated to a Parcel when the Parcel is classified as Developed Property (as defined herein) but will not be fixed or determinable on Parcels of Undeveloped Property (meaning property which is not Developed Property). “Developed Property” means Parcels of Assessed Property for which a building permit has been issued which allows the construction of a structure intended for occupancy. “Assessed Property” means property within the District that is not Non-Assessed Property; Non-Assessed Property is more specifically defined in the Rate Study but generally means publicly-owned property, property owned by a property owners association and generally available for use by property owners and property owned by a provider of utilities. All Assessed Property is classified as Developed Property or Undeveloped Property as of June 30 of a particular year.

As more fully explained in the Rate Study, Assessments are allocated to Parcels on the basis of the Equivalent Units of each Parcel. For all Parcels, excluding Parcels that are expected to be open space or green space, the Equivalent Unit factor is 1.0 per residential dwelling unit built or expected to be built on the Parcel. The Equivalent Unit factor is 0.0 per Parcel for all Parcels which are expected to solely be open space or green space.

As more fully explained in the Rate Study, each Assessment Year (as defined in the Rate Study), the Consultant (or its successor as the Administrator) will calculate, and the Council will confirm, the Annual Payment to be collected from each Parcel of Assessed Property in the District, which is calculated to meet the requirements to pay the interest and principal coming due on the Bonds and the Administrative Expenses of the District. As more fully explained in the Rate Study, the cumulative, annual billings to all Parcels of Assessed Property will be sufficient to meet the Annual Revenue Requirement, an amount that is equal to principal and interest due on the Bonds for such year, plus Administrative Expenses of the District, less amounts available from the excess funds in the Reserve Fund.

As more fully explained in the Rate Study, for a Parcel of Developed Property, the Annual Payment is subject to the Maximum Annual Installment per Equivalent Unit of \$1,550.00. For all Parcels of Undeveloped Property, the aggregate Annual Payment will be equal to the difference between the Annual Revenue Requirement and the aggregate Annual Payment billed to Parcels of Developed Property.

As more fully explained in the Rate Study, the Assessment may be prepaid for a Parcel and the Annual Payment will no longer be collected from such Parcel. The prepayment of the Assessment is generally equal to: (i) the Principal Portion of the Assessment allocated to the Parcel, (ii) a credit for any reduction in the Reserve Fund resulting from such prepayment, (iii) adjustments for interest through the call date of Bonds to be called and interest to be earned on the prepaid Assessment, and (iv) Administrative

Expenses related to the prepayment. The aggregate Principal Portion of the Assessment for all Parcels is the portion of the Assessments equal to the outstanding principal on the Bonds.

The analysis set forth in Appendix B provides a forecast for the billing of Assessments to the Parcels of Assessed Property.

COLLECTION PROCEDURES

The Assessments are expected to be collected annually as the Annual Payment for a term beginning in 2026 and extending through to the final maturity of the Bonds. The Annual Payment will be billed annually to fund all debt service requirements for the Bonds and estimated Administrative Expenses for a particular year. Assessments will be collected in the same manner and at the same time as regular real property taxes of the County are collected. In the event a Landowner fails to pay any Annual Payment when due, the Annual Payment will be subject to the same penalties, procedures and sale as are provided in the case of delinquencies for regular property taxes of the County.

By South Carolina law, the amount assessed constitutes a lien against the property superior to all other except property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for special assessments and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for the Assessments is either at the same level of priority as, or is subordinate only to, the liens for property taxes.

In general, under South Carolina law and procedures, real property taxes and assessments under the Act are billed by the County Treasurer on a single bill. The Treasurer prepares the bills upon receipt of the tax duplicates from the County Auditor. The Auditor prepares the tax duplicates from information from various sources, including information that the Auditor receives from the Consultant on behalf of the County for the Assessments to be imposed in the District. The Auditor prepares tax duplicates indicating the taxes and assessments on each parcel of property and taxable personal property and provides a copy of the duplicates to the Treasurer. The goal is to have the tax duplicates prepared by September 1 of each year; however, in light of the number of entities which must provide information to the Auditor and the dependency of some of this information on actions by other governmental entities, sometimes the tax duplicates are delayed. Ordinarily, however, tax duplicates are prepared and notices of taxes due are mailed by the Treasurer to each property owner around the first of October of each year and are due and payable until the following January 15.

Taxes and assessments are paid to the County Treasurer. The County Treasurer will not accept partial payment, so that a taxpayer must either pay the entire amount due (including the Assessments) or be delinquent. Taxes and assessments are considered paid currently if paid by the later of January 15 or the 30th day after tax notices are mailed. In the event taxes and assessments are not timely paid, there are penalties as set forth below:

| DATE PAYMENT RECEIVED | PENALTY | CUMULATIVE PENALTY |
|--------------------------------------|----------------|-------------------------------|
| On or before the due date | none | — |
| After due date but before February 2 | 3% | 3% |
| February 2 but before March 17 | 7% | 10% |
| March 17 and thereafter | 5% | 15% |

Penalties are added to the tax duplicate by the Auditor and are to be collected by the Treasurer. If payment is not received before March 17, the County Treasurer is required to issue a tax execution to the County Tax Collector.

DELINQUENCIES; ENFORCEMENT; FORECLOSURE

If the owner of any lot or parcel of land is delinquent in the payment of any tax or assessment, including the Assessments, then the County Treasurer will move, as provided by law, to collect delinquent taxes, assessments, including the Assessments, penalties, and costs for their collection. The County has covenanted in the Indenture to furnish, upon written request of any Owner of 2025 Bonds (or the Trustee at the written direction thereof), as of April 15 of each year, a list of all delinquent Assessments and all foreclosure actions currently in progress and the current status of such delinquent Assessments; provided the requirements hereof may be satisfied by information prepared in the form, covering the period and delivered at the time required by the Issuer's Continuing Disclosure Agreement (as defined herein).

Collection of delinquent Assessments must be accomplished pursuant to the provisions of law which provide for an execution and sale of the property against which the taxes and Assessments are delinquent. Upon receipt of notice from the County Treasurer of any execution, the County Tax Collector is required to proceed on April 1 or as soon thereafter as practicable to mail a notice of delinquent taxes, penalties, assessments, including the Assessments, and costs to the defaulting taxpayer and any grantee of record at the best address available stating that if taxes, penalties, assessments and costs are not paid the property will be advertised and sold to satisfy the delinquency. The County Tax Collector first sends a reminder notice by regular mail on or about April 1. If payment is not made 30 days after the mailing of the reminder notice, then the County Tax Collector sends a second notice by certified mail, return receipt, to the taxpayer and any grantee of record. If taxes remain unpaid six weeks thereafter, the County Tax Collector will take exclusive possession of so much of the current owner of record's property as is necessary to satisfy the payment of the taxes, assessments, including the Assessments, penalties and costs. Possession of real property is taken by mailing a notice of the delinquency to the delinquent taxpayer and any grantee of record by certified mail, return receipt requested-restricted delivery. Such notice shall specify that if the delinquency is not paid before a subsequent sales date, the property will be duly advertised and sold, if the certified mail notice is returned, the notice is effected by posting at one or more conspicuous places on the premises stating that such property has been seized and is to be sold for delinquent taxes. Notice of the sale of real property is provided by advertisement in a newspaper of general circulation within the County once a week for three consecutive weeks prior to the legal sales date. The regular sales date is the first Monday in each month or the following Tuesday if such Monday is a legal holiday.

Set forth below is a schedule of when the Assessments might be collected through the enforcement process, though there is no assurance that this schedule will be adhered to in connection with the enforcement and collection of delinquent Assessments:

| NOT EARLIER THAN | ACTION | CONSEQUENCE |
|-------------------------|---|---|
| March 17 | Taxes, assessments and penalties go into execution | Cost of enforcement began to accrue |
| April 1 | Tax Collector mails reminder notice of delinquency | |
| May 1 | Tax Collector mails notice of delinquency by certified mail to initiate sale process | Starts 30 day period after which sale can be made |
| June 15 | Tax Collector takes possession by mailed notice; if notice returned, takes possession by posting notice | Notice of Levy |
| September | Notice of sale published once a week for three weeks | Condition to sale |
| First Monday in October | Sale | Payment due at sale; minimum bid entered by the FLC |

Several things can happen that might delay the foregoing schedule, but the process should be completed and a sale conducted on the first Monday in October following nonpayment. It is possible, however, that sales relating to delinquencies for properties located in the District would not be held on the same date and such sales may take place on the first Monday of November or December following nonpayment.

If any property is offered for sale for the nonpayment of any Assessments and no person or persons purchase such property for an amount equal to the full amount due on such property, such property is then purchased by the FLC in accordance with the bid of such FLC submitted as provided by law. The statutes governing foreclosure in tax sales provide that the bid to be submitted by the FLC shall be in an amount equal to unpaid property taxes, penalties, assessments and costs. The FLC is not required to bid on property known or reasonably suspected to be contaminated. If the contamination becomes known after the bid or while the FLC holds the title, the title voids at the election of the FLC.

If purchased by the FLC, the FLC may subsequently sell such property with the proceeds of any such sale to be turned over to the County Treasurer and distributed as provided by law. Pursuant to the Indenture, the County is required to direct the County Treasurer to deposit any legally available net proceeds of such sale allocable to Assessments into the Revenue Fund. The County has agreed that it will promptly pursue the measures provided by law for sale of property acquired by it for the benefit of the Bond Owners. See **“BOND OWNERS’ RISKS—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS.”**

The State statutes governing collection of delinquent taxes provide that a defaulting Landowner, any grantee from such Landowner, or any mortgage or judgment creditor with respect to the real property in question may, within twelve (12) months from the date of the delinquent tax sale, redeem each item of real property by paying to the person officially charged with the collection of delinquent taxes, assessments, penalties, and costs, together with interest on the whole amount of the delinquent taxes, assessments, penalties and costs at rates set forth in the statutes: provided, however that in every redemption, the amount

of interest due must not exceed the amount of the bid on the property submitted on behalf of the FLC as described in the preceding paragraph. If the property is not redeemed, the excess above the amount of taxes, penalties, assessments, charges, and costs for the year in which the property was sold must be applied first to the taxes becoming due during the redemption period.

If any property in the District is purchased by the FLC, under existing law, any Assessment imposed upon the property will continue to apply and accrue upon such property, because neither the FLC nor any other tax-exempt owner of property in the District has been excluded under the Act from the obligation to pay assessments levied thereunder. In 2003, the Supreme Court of South Carolina affirmed the ruling of a Charleston County Circuit Court that the owner of property located in a municipal improvement district, which owner was otherwise exempt from property taxes, was properly subjected to an assessment under the Municipal Improvement Act, S.C. Code Ann. § 5-37-40(h) (the “Municipal Improvement Act”). *German Evangelical Lutheran Church of Charleston, S.C. v. City of Charleston*, 352 S.C. 600; 576 S.E.2d 150; 2003 S.C. Lexis 1 (2003). In that case, the circuit court had previously ruled that the Municipal Improvement Act’s exclusion of certain other tax-exempt property from the improvement district and the assessments imposed under such act showed a legislative intent that the remaining tax-exempt land owners, not explicitly excluded, were to be included in the municipal improvement district and subject to the assessments imposed upon the property owners therein. *Id.* Investors should note that the 2025 Bonds were authorized under the Act and not the Municipal Improvement Act, so no assurances can be given that a court would reach a similar conclusion with respect to the Assessments. In fact, if the FLC should purchase property in the District, investors should look to the proceeds of the sale of such property by the FLC as security and the source of payment for amounts due and should not rely on any purported obligation of the FLC to pay taxes or assessments on such property. See **“BOND OWNERS’ RISKS—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS.”**

THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS

The information appearing below under the captions “The Development” and “The Developer and the Current Landowners” herein have been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the County or its counsel, or the Underwriter or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by either the Developer as a means for the prospective 2025 Bondholders to understand the anticipated development plan and risks associated with the Development. Neither the Developer, the Current Landowners nor any other party is guaranteeing payment of the 2025 Bonds or the Assessments.

THE DEVELOPMENT

General

The Development, an 1,860-unit residential community known as Roselyn, is anticipated to be developed within an approximately 1,395-acre area located in the northern portion of the County. The Development consists of seven major phases, each expected to have multiple smaller phases, of construction that are projected to include approximately 1,860 residential units on approximately 374 acres for development, approximately 937 acres of common open space, roads and rights-of-way and recreational areas, and an approximately 84-acre county park. The Development is generally located between Highway 521 and Old Hickory Road, slightly south of West North Corner Road. The Development is accessible via Highway 521 and Old Hickory Road. The District was created by the Council to provide a means for the funding of the public improvements within the Development, including the Project.

A large attraction in the area, located 3.1 miles from the Development, is the Andrew Jackson State Park. The 350-acre park was established in 1952 to honor the South Carolina-born president, Andrew Jackson and combines history, art, and community activities. The Andrew Jackson State Park is one of the State's most popular parks and includes attractions such as walking, biking, and hiking trails, fishing, and boating on an 18-acre lake, camping, an amphitheater, and a museum that honors the birthplace of the 7th President of the United States. In addition, the Edgewater Golf Club is located within 20 minutes of Roselyn, offering an excellent public golf course at reasonable rates. These surrounding amenities, along with the charm of belonging in a small town, contribute to the popularity of the Lancaster submarket. The Development is conveniently located 25 minutes from Interstate 485, the outer beltway around Charlotte, providing direct routes to Charlotte-Douglas International Airport and uptown Charlotte. The Development is also located directly south on Highway 521 from the affluent Ballantyne area of Charlotte that provides a variety of shopping venues and extensive restaurant choices.

The portion of the County where the Development is located has experienced significant growth over the past decade. The 521-corridor in the Lancaster and Indian Land area has also seen an increase in commercial development projects. Most recently and notably is the large strip mall within 11 miles of Roselyn, located across from the residential community known as The Retreat at Rayfield, with 300,000 square feet of retail space, including national brands such as Starbucks, TJ Maxx, Burlington Coat Factory, Ulta, and Panera Bread. The community is also centrally located near several medical and healthcare facilities, including facilities proximate to Sun City Carolina Lakes seven miles to the north and a Medical University of South Carolina (MUSC) Health Medical Center located in the town of Lancaster three miles south of the Development.

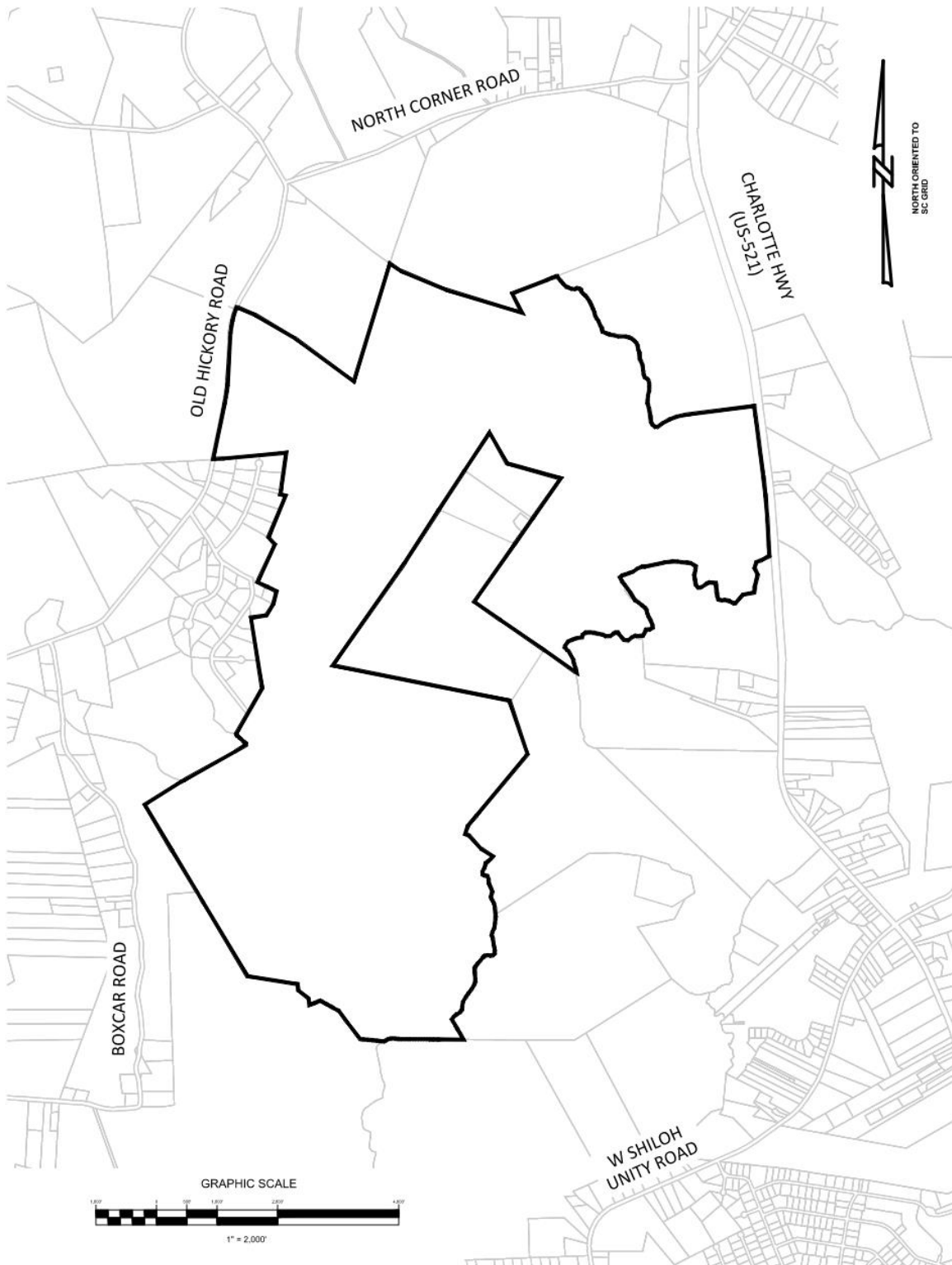
[Remainder of Page Intentionally Left Blank]

The map below shows the approximate location of the Development. This map is not to scale and is provided to give prospective investors an approximation of the location of the Development relative to the nearby Charlotte, NC area.

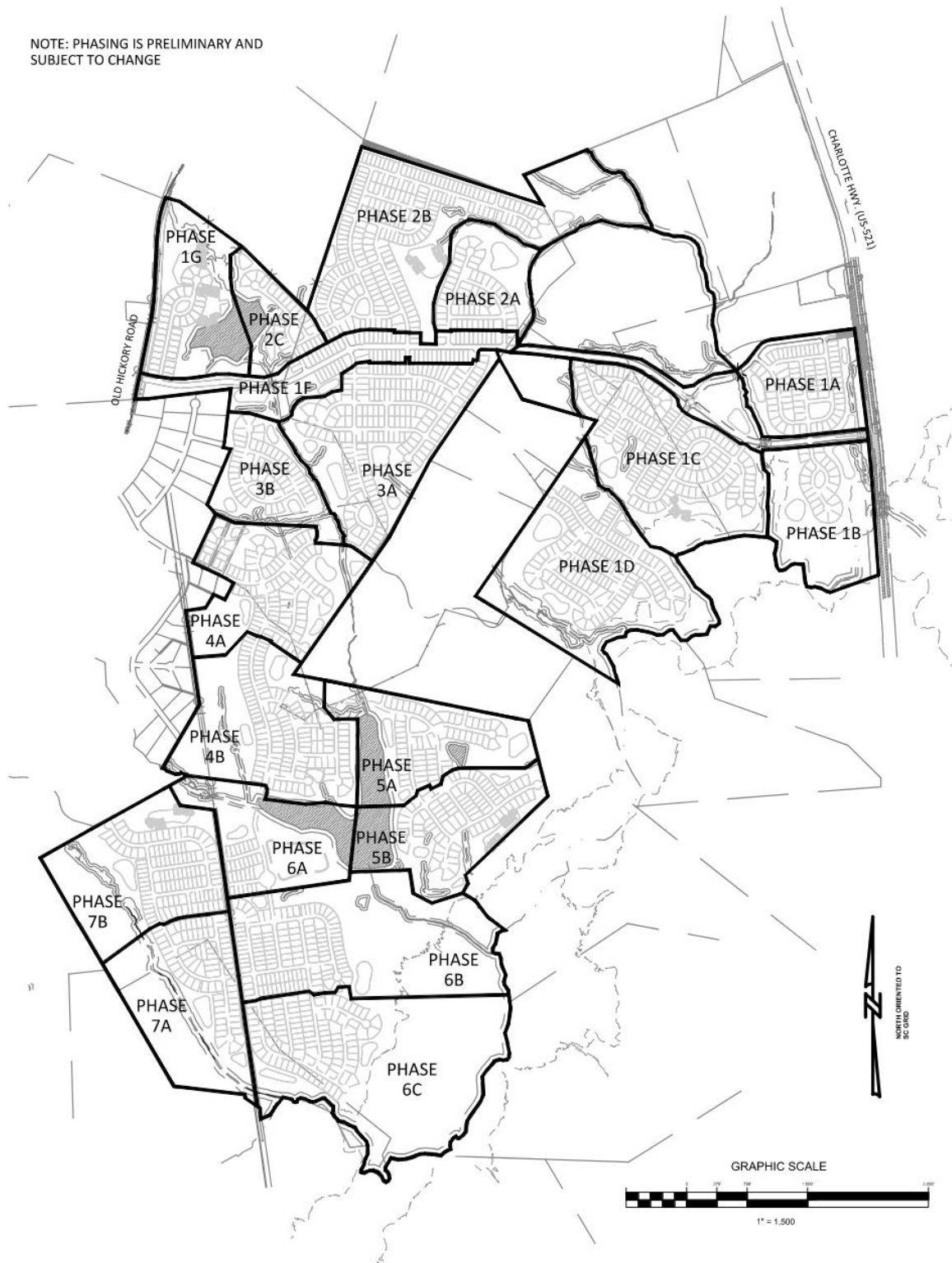


ROSELYN
LANCASTER, SC

The following map shows the boundaries of the District, which are generally coterminous with the boundaries of the Development.



The following rendering shows the seven planned major development phases of the Development, with particular emphasis on Phases 1 and 2 and the sub-phases of development therein.



Lennar Carolinas, LLC, a Delaware limited liability company (the “Developer”), is the land developer and homebuilder for the Development. See “**-THE DEVELOPER AND THE CURRENT LANDOWNERS**” herein for more information. The proposed plan for the Development envisions 1,860 single-family, detached homes, and the Assessments are anticipated to be allocated among these units as they are developed. See “**ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES**” above for more information. The mixture of housing types within the Development is expected to include 633 single-family homes on 55-foot-wide lots, 616 single-family homes on 65-foot-wide lots, and 611 single-family homes on 75-foot-wide lots. Single-family homes are expected to range in size from 1,389 square feet to 3,519 square feet, with home prices ranging from \$385,000 to \$615,000. Land development within the Development commenced in March 2020 and is expected to occur in phases, with final completion expected by December 2032. The target market for the Development is age-restricted active-adult.

The Developer intends to complete the development of Phases 1 and 2 of the Development first. The portion of the Project serving Phases 1 and 2 of the Development, including some master infrastructure serving Phases 1 and 2 and future phases of the Development, is described in this Limited Offering Memorandum as the Series 2025 Project, and the proceeds of the 2025 Bonds are intended to be used to pay a portion of the Costs of the Series 2025 Project. See “**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**” and “**THE SERIES 2025 PROJECT AND THE PROJECT**” herein.

Although the Assessments secure the payment of debt service on all Series of Bonds issued under the Indenture and budgeted Administrative Expenses, the debt service on the 2025 Bonds, along with the budgeted Administrative Expenses of the District, are expected to be supported by Assessments allocated among the 804 units to be developed within Phases 1 and 2 of the Development. Phases 1 and 2 are expected to be fully developed by December 2026.

Land Acquisition and Development Finance Plan

The Developer acquired the lands within the Development on December 10, 2019, for approximately \$25.9 million. There are currently no mortgages on the lands within the Development. See also “*—Land Bank Arrangement*” below.

The total land development costs associated with Phases 1 and 2 of the Development, including land development and sitework costs, costs of the infrastructure comprising the Series 2025 Project, are expected to be approximately \$54,603,417. Of this amount, the Developer has incurred approximately \$48,413,722 (as of April 21, 2025) in costs associated with the planning, engineering, permitting, construction and installation of the Series 2025 Project which includes infrastructure required to develop Phases 1 and 2 of the Development. The net proceeds of the 2025 Bonds deposited into the Series 2025 Acquisition and Construction Account will be approximately \$13,700,000 to fund a portion of the Series 2025 Project, and any additional moneys needed to complete the Series 2025 Project or other portions of the Development will be paid for by the Developer. See “**BOND OWNERS’ RISKS – FAILURE TO DEVELOP PROPERTIES**” herein.

Land Bank Arrangement

The Developer has entered into agreements with two land banks, KLLB BUY 1, LLC (“KLLB”), with respect to Phases 1 and 2 of the Development, and Millrose Properties South Carolina, LLC (“Millrose” and, together with KLLB, the “Current Landowners”), with respect to Phases 3, 4, 5, 6 and 7 of the Development. Pursuant to these land bank arrangements, the Developer will manage the installation of the infrastructure for the applicable Phases of the Development and take down lots over time. The prices

for each takedown for the Ford & Orchard product are \$119,373.78 for the first 153 lots and \$95,618.40 for the remaining 153 lots, for the Meadows product \$164,841.77 for the first 129 lots and \$132,164.43 for the remaining 130 lots, and for the Summit product \$189,967.64 for the first 119 lots and \$152,321.59 for the remaining 120 lots. See “—*Residential Product Offerings*” below. To date, the Developer has taken down 44 Ford & Orchard lots, 40 Meadows lots and 34 Summit lots in Phases 1 and 2 of the Development and plans to take down the remaining Ford & Orchard lots over the next 33 months, the remaining Meadows lots over the next 36 months, and the remaining Summit lots over the next 36 months. To date, the Developer has not taken down any lots in Phases 3-7 of the Development, but plans to begin taking down lots in those Phases in July 2028 and expects to have taken down all of the lots in those Phases by the end of 2033. As noted above, under the land bank arrangements, the Developer has taken down 108 lots to date.

Development Plan, Status, Absorption and Estimated Assessment Collections

Land development for the Development commenced in March 2020 and is expected to occur in phases, with final completion expected by December 2032. Set forth below is a summary of the status of Phases 1 and 2.

Phase 1 of the Development is planned for 488 units, consisting of 191 single-family homes on 55-foot-wide lots, 116 single-family homes on 65-foot-wide lots, and 181 single-family lots on 75-foot-wide lots. See “-*Residential Product Offerings*” herein. Land development associated with Phase 1 of the Development commenced in March 2020 and was completed in June 2023.

Phase 2 of the Development is planned for 316 lots, consisting of 115 single-family lots on 55-foot-wide lots, 143 single-family lots on 65-foot-wide lots, and 58 single-family lots on 75-foot-wide lots; provided, however, that Phase 2C plans are not yet fully permitted and are subject to change. See “-*Residential Product Offerings*” herein. Land development associated with Phase 2 of the Development commenced in April 2025 and is expected to be complete by December 2026.

The Developer has commenced construction on residential units within Phases 1 and 2 of the Development, with 104 homes currently constructed or under construction. To date, the Developer has sold 40 homes and closed on 10 homes. It is expected that approximately 130 homes in Phase 1 will be delivered to end users in 2025, and that all of the 804 units to be developed in Phases 1 and 2 of the Development are expected to be delivered to end users by the end of 2029. This anticipated absorption is based upon estimates and assumptions made by the Developer that are inherently uncertain, though considered reasonable by the Developer, and are subject to significant business, economic, and competitive uncertainties, and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer. As a result, there can be no assurance such absorption rate will occur or be realized in the time frame anticipated.

The following table represents estimated Assessment revenues to be billed on the basis of the above-absorption schedule. For further information, See Appendix B, “Assessment Billing Forecast Report” herein.

| Assessment Billing Forecast | | | | | |
|--|-------------------|------------------------------|-------------------|-------------------------------------|-------------------------------------|
| Building Permit Status | Assessment Fee | Estimated Units ² | | Max. Annual Max. Annual | Est. Annual Installment per |
| <u>Determination Date</u> ¹ | <u>Due Date</u> | <u>Annual</u> | <u>Cumulative</u> | <u>Equivalent Unit</u> ³ | from Developed Parcels ⁴ |
| 30-Jun-25 | 15-Jan-26 | 37 | 37 | \$1,550 | \$ 57,350 |
| 30-Jun-26 | 15-Jan-27 | 220 | 257 | 1,550 | 398,350 |
| 30-Jun-27 | 15-Jan-28 | 208 | 465 | 1,550 | 720,750 |
| 30-Jun-28 | 15-Jan-29 | 216 | 681 | 1,550 | 1,055,550 |
| 30-Jun-29 | 15-Jan-30 | 216 | 897 | 1,550 | 1,390,350 |
| 30-Jun-30 | 15-Jan-31 | 216 | 1,113 | 1,550 | 1,725,150 |
| 30-Jun-31 | 15-Jan-32 | 216 | 1,329 | 1,550 | 2,059,950 |
| 30-Jun-32 | 15-Jan-33 | 216 | 1,545 | 1,550 | 2,394,750 |
| 30-Jun-33 | 15-Jan-34 | 216 | 1,761 | 1,550 | 2,729,550 |
| 30-Jun-34 | 15-Jan-35 | 99 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-35 | 15-Jan-36 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-36 | 15-Jan-37 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-37 | 15-Jan-38 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-38 | 15-Jan-39 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-39 | 15-Jan-40 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-40 | 15-Jan-41 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-41 | 15-Jan-42 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-42 | 15-Jan-43 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-43 | 15-Jan-44 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-44 | 15-Jan-45 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-45 | 15-Jan-46 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-46 | 15-Jan-47 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-47 | 15-Jan-48 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-48 | 15-Jan-49 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-49 | 15-Jan-50 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-50 | 15-Jan-51 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-51 | 15-Jan-52 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-52 | 15-Jan-53 | 0 | 1,860 | 1,550 | 2,883,000 |
| 30-Jun-53 | 15-Jan-54 | 0 | 1,860 | 1,550 | 2,883,000 |
| Total | | 1,860 | | | \$70,191,750 |

1 - Pursuant to the Rate Study, a parcel's status for assessment billing purposes will be based on the existence of a building permit for the parcel and will be made as of the “Date of Classification” (as defined in the Rate Study as June 30th of each year).

2 - The estimated annual unit counts are provided by the Developer.

3 - The figure of \$1,550 represents the Maximum Annual Installment per Equivalent Unit, as specified in the Rate Study, subject to reduction in future years if Additional Bonds are not issued or are issued in reduced amounts. The Rate Study provides details of the calculation of the annual payment rate for parcels that have a building permit.

4 - The estimated annual assessment revenue from parcels with building permits shown here assumes that the sum of debt service on the Bonds and estimated Administrative Expenses of the District are equal to or greater than the annual assessment revenue in each year. This forecast assumes Additional Bonds in the amount of \$18.8 million are issued in the future. If Additional Bonds are not issued or are issued in reduced amounts, the Annual Installment collected per unit will be less. The Rate Study provides further details of the calculation of the annual assessment revenue.

Residential Product Offerings

The target customers for units within the Development are age-restricted active adult buyers. Below is a summary of information relating to the expected product types of units and starting price ranges for units in the Development, including expected units within Phases 1 and 2 therein.

| <u>Product Series</u> | <u>Approx. Square Footage</u> | <u>Beds/Baths</u> | <u>Price Range</u> | <u>No. of Units (Phases 1/2)</u> | <u>No. of Units (Total)</u> |
|-----------------------|---------------------------------------|-----------------------------|---------------------|--------------------------------------|---------------------------------|
| Ford & Orchard | 1,389 to 1,834 | 2 to 3 Beds, 2 to 2.5 Baths | \$385,000-\$475,000 | 306 | 633 |
| Meadows | 1,795 to 2,777 | 2 to 4 Beds, 2 to 3 Baths | \$415,000-\$490,000 | 259 | 616 |
| Summit | 2,043 to 3,519 | 2 to 4 Beds, 2 to 3.5 Baths | \$540,000-\$615,000 | 239 | 611 |

Marketing Strategy

The Developer's marketing strategy involves targeting the unique buyer profiles on brand awareness on both a local and regional level. The Developer opened an on-site sales center in May 2025 and opened seven models, six of which are furnished, in June 2025. The Developer is also targeting top realtors in the area, which is a key component to drive additional traffic and sales to the Development. The Developer's media program involves a mix of local and regional opportunities to build the Development's brand, build an interest list for new phases, models, and builders, and ultimately to drive traffic and leads. The media program consists of various digital marketing strategies (both hyper-local and behavioral targets), newspaper and magazine ads, and a broad reach media program, using media such as billboards, to build broad awareness. The Developer is also heavily involved in community relations and engagement by sponsoring various local events to hosting micro and macro events within the Development.

Development Approvals

The land within the Development, including, without limitation, the land therein subject to the Assessments, is zoned to allow for the contemplated residential uses described herein. All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.

Environmental

A Phase I Environmental Site Assessment was prepared by Spangler Environmental, Inc, dated August 14, 2018 (the "ESA"), covering the land in the Development. The ESA revealed no Recognized Environmental Conditions in connection with the Development. An updated Phase I Environmental Site Assessment (the "Updated ESA") was prepared by Spangler Environmental, Inc, dated October 31, 2023, covering the land currently owned by the Developer or the Current Landowners. The Updated ESA revealed no Recognized Environmental Conditions in connection with the land currently owned by the Developer or the Current Landowners. See "**BOND OWNERS' RISK – IMPACT OF ENVIRONMENTAL CONDITIONS ON VALUE**" herein for more information regarding potential environmental risks.

Amenities

The Development is planned to contain an approximately 2.5-acre community site with an approximately 9,500 square-foot minimum clubhouse (4,000 square feet minimum under air conditioning),

an approximately 5,000 square-foot event hall, a resort-style swimming pool, approximately 8,900 square-foot fitness center, tot lot, various recreation fields and courts, including tennis, pickle ball, bocce and horseshoes, walking trails, sidewalks, street lamps, and various pocket parks with seating, including an event lawn (collectively, the “Amenities”). Site work with respect to the Amenities is expected to commence in late 2025, with construction of the Amenities to begin in January 2026 with expected completion in May 2027. The estimated cost of the Amenities is approximately \$6.5 million and is expected to be paid for by the Developer.

Utilities

Potable water and wastewater treatment for the Development are expected to be provided by Lancaster County Water and Sewer District. Electric power is expected to be provided by Duke Energy. Cable television and broadband cable services are expected to be provided by FisionX under a bulk agreement with the Development through its homeowners’ association (Comporium will also be available but will not be part of the bulk agreement). As part of the Series 2025 Project, the Developer is constructing a utility extension and pump stations from Highway 521 to the existing Lancaster County Water and Sewer District Treatment Plant located on Highway 9 at a cost of approximately \$22,481,228 and a 24” water main extension from Highway 521 to Old Hickory Road at a cost of approximately \$3,891,417.

Taxes, Fees, and Assessments

As set forth in the Assessment Roll, the 2025 Bonds will be secured by the Assessments which will be assigned to individual parcels at the time such parcel receives a building permit, measured on June 30 of each year. The Assessments are anticipated to be assigned to all 1,860 units planned for the Development. Assuming that all of the planned residential units are developed, then the Assessments will be allocated on a per unit basis below and as set forth in the Assessment Roll. See “**THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS – THE DEVELOPMENT – Development Plan, Status and Absorption**” and Appendix A, “**ASSESSMENT ROLL, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS**” herein.

The County will annually bill Assessments on Parcels of (1) Developed Property (e.g., residential units for which a building permit has been obtained prior to June 30 of an Assessment Year) in the Development of approximately \$1,550 per residential unit annually to the extent necessary to meet the expenses of the District, which amount is subject to change, and (2) Undeveloped Property in an amount which, together with the annually Assessments billed to Parcels of Developed Property, will be sufficient to pay the debt service on the Bonds and budgeted Administrative Expenses of the District. In addition, residents within the Development will be required to pay homeowners association fees, inclusive of amenity usage, which are currently estimated to be approximately \$240 per month. The land within the District has been and is expected to be subject to taxes and assessments imposed by the County and the School District of Lancaster County (the “School District”). The total millage rate imposed on taxable properties in the District for the fiscal year ended June 30, 2025, was 345.5 mills, which millage rate is subject to change in future tax years. These property taxes are payable in addition to the Assessments and any other assessments levied by the District. Additional millage may be levied in the future in connection with general obligation bonds of the County or the School District, as to which no limit applies. It is possible that in future years, taxes and assessments levied by the County and the School District could be substantially higher than in the current year.

The Development will include a homeowners’ association, the initial monthly fees for which are expected to be approximately \$289 per month. There is also expected to be a \$3,500 capital contribution payable by new homeowners upon initial membership. The fees are expected to experience tiered increases

as common elements are completed and conveyed to the homeowners' association over the course of the build-out of the Development.

Education

The Development is expected to be age-restricted, and therefore, it is not expected that a substantial number of school-age children will reside within the Development. Any students in the area of the Development are expected to attend Erwin Elementary School (10 miles from the Development), South Middle School (9 miles from the Development), and Lancaster High School (6.7 miles from the Development). There are also several private and charter school alternatives in the vicinity of the Development.

Competition

The Developer has identified the following communities shown in the table below as being competitive with the Development because of their proximity to the Development, price ranges and/or product types:

| <u>Project Name</u> | <u>No. of Units/SF</u> | <u>Proximity (Miles)</u> | <u>Developer</u> | <u>Date Started</u> | <u>Completed/ Expected</u> | <u>Prices (000s)</u> | <u>Units Remaining</u> |
|--|-----------------------------------|-------------------------------------|-------------------------|--------------------------------|---------------------------------------|---------------------------------|-----------------------------------|
| Wilson Creek: Classic/ Executive | 122 | 13.7 | KB Homes | Jul-24 | Aug-25 | \$453-586 | 26 |
| Trilogy/Lake Norman/ Freedom 30 | 349 | 59.2 | Shea Homes | Aug-15 | Feb-26 | \$409-488 | 18 |
| Cresswind-Trade/Tryon | 842 | 38.7 | Kolter Homes | Jun-17 | Oct-25 | \$431-573 | 40 |
| Edgewater Cottages | 421 | 16.9 | True Homes | Feb-07 | May-26 | \$269-363 | 49 |
| Carolina Riverside: Scenic/ Distinctive/Echelon | 809 | 47.8 | Del Webb | May-24 | Jan-31 | \$432-686 | 679 |
| Cresswind Wesley Chapel – Carson/Hepburn | 606 | 13.9 | Kolter Homes | Dec-21 | Feb-28 | \$440-582 | 273 |
| Esplanade at Northgate | 194 | 29.6 | Taylor Morrison | Apr-22 | Feb-26 | \$409-462 | 34 |
| Pines at Sugar Creek | 378 | 20.8 | Toll Brothers | Mar-24 | Jan-29 | \$524-646 | 280 |

In addition, the Tree Tops, Carolina Reserve, Sun City Carolina Lakes, Walnut Creek, and Carolina Orchards communities are or may be competitive; however, the active-adult portions of all of these communities are fully built-out and homes are available by resale only.

This heading does not purport to list all the existing or planned communities in the area of the Development, but rather provide a list of those that the Developer feels pose primary competition to the Development.

THE DEVELOPER AND THE CURRENT LANDOWNERS

The Developer

The Developer is an indirectly wholly owned subsidiary of Lennar Corporation (“Lennar”). Lennar, founded in 1954, has homebuilding operations in fifteen states and is one of the nation’s leading builders of quality homes for all generations, building affordable, first-time, move-up and retirement homes. Lennar stock trades on the New York Stock Exchange under the symbol LEN. Lennar is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements, and other information with the U.S. Securities and Exchange Commission (the “SEC”). The file number for Lennar is No-1-11749. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Section of the SEC, Room 1024, 450 Fifth Street NW, Judiciary Plaza, Washington, DC, and at the SEC’s regional offices in Chicago (Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois). Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. The most recent Annual Report on Form 10-K of Lennar on file with the SEC and any other documents and reports filed with the SEC by Lennar subsequent to the date of such Annual Report (including Form 10-Q and Form 10-K) through and including the end of the “underwriting period” (as defined in SEC Rule 15c2-12) are hereby incorporated herein by reference.

All documents subsequently filed by Lennar pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes. Lennar is not guaranteeing any of the Developer’s obligations incurred in connection with the issuance of the 2025 Bonds.

LENNAR CORPORATION HAS NO LIABILITY UNDER OR WITH RESPECT TO, NOR IS LENNAR CORPORATION GUARANTEEING THE PAYMENT OF THE 2025 BONDS OR ANY OF THE DEVELOPER’S OBLIGATIONS WITH RESPECT TO THE DEVELOPMENT OR ITS COMPLETION OR ANY OF THE DEVELOPER’S OTHER OBLIGATIONS INCURRED IN CONNECTION WITH THE ISSUANCE OF THE 2025 BONDS OR THE PAYMENT OF THE ASSESSMENTS.

The Current Landowners

KLLB.

The land within Phases 1 and 2 of the Development (other than the 108 lots previously taken down by the Developer) are owned by BUY 1, LLC (“KLLB”). KLLB is a special purpose entity whose primary assets are its properties subject to option agreements. KLLB is wholly owned by investment funds managed by Kennedy Lewis Management LP (“Kennedy Lewis”), a Delaware limited partnership and SEC-registered investment advisor, and its affiliates. Kennedy Lewis is an opportunistic credit manager of private funds and collateralized loan obligations with over \$17 billion under management. Kennedy Lewis has invested a material amount in homebuilder and land development financings since launching its homebuilder finance investment strategy in 2021.

David Valiaveedan leads Kennedy Lewis' homebuilder finance investment strategy. Mr. Valiaveedan has over 30 years of experience in real estate focused on the structuring and placement of debt and equity for public and private companies across the homebuilding, multifamily, office and hotel segments. Mr. Valiaveedan holds a BS in Finance from Georgetown University and an MBA from the Darden Graduate School of Business Administration at the University of Virginia.

Millrose.

The land within Phases 3, 4, 5, 6 and 7 of the Development are owned by Millrose Properties South Carolina, LLC (“Millrose”). Millrose is a wholly-owned subsidiary of Millrose Properties Inc. (“Millrose Properties”). Millrose Properties purchases and develops residential land and sells finished homesites to homebuilders by way of option contracts with predetermined costs and takedown schedules. Millrose Properties serves as a solution for homebuilders seeking to expand access to finished homesites while implementing an asset-light strategy. Millrose Properties trades on the New York Stock Exchange under the symbol MRP. Millrose Properties is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Millrose Properties is 1-42476. Such reports, proxy statements, and other information are available at the SEC's website at www.sec.gov.

All documents subsequently filed by Millrose Properties pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes.

NEITHER THE DEVELOPER NOR THE CURRENT LANDOWNERS ARE GUARANTEEING THE PAYMENT OF THE 2025 BONDS OR THE ASSESSMENTS (OTHER THAN THE CURRENT LANDOWNERS’ OBLIGATION TO PAY ASSESSMENTS AS OWNERS OF PARCELS OF LAND WITHIN THE DISTRICT). AMONG THE ENTITIES DESCRIBED HEREIN (LENNAR, THE DEVELOPER AND THE CURRENT LANDOWNERS) ONLY THE DEVELOPER HAS ENTERED INTO ANY AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE 2025 BONDS.

BOND OWNERS’ RISKS

RISK FACTORS

The following is a discussion of certain risks which should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2025 Bonds. This discussion does not purport to be comprehensive or definitive; rather, it is meant to draw attention to some, though not necessarily all of the risks that may be peculiar to obligations such as the 2025 Bonds. Each potential investor is expected and encouraged to make its own independent evaluation of the merits of acquiring and holding the 2025 Bonds. The occurrence of any of the events discussed herein could adversely affect the ability or willingness of any Landowner to pay the Assessments when due. Any failure to pay Assessments could result in the inability to make full and punctual payments of debt service on the 2025 Bonds and a default under the Indenture. In addition, the occurrence of any of the events discussed herein could adversely affect the value of the property in the District, which could, in turn, adversely affect the ability of the County to realize proceeds in a foreclosure action against the property to recover delinquent Assessments.

LIMITATIONS AND COLLECTABILITY OF ASSETS

The business plan for the Development assumes that portions of the actual payment of the Assessments will be made by individuals or entities buying benefited parcels in the Development. While all of the residential lots located in the District are intended to be owned by individuals, market conditions such as competition with other competitive developments or adverse changes in general economic conditions may limit the ability of third-party builders or developers (including the Developer) to pass some or all of the Assessments to any subsequent owners of real property in the District (together with the Developer and the Current Landowners, “Landowners”). The legal obligation to pay the Assessments rests with the Landowners. No assurance can be made that the construction and development of the Development will be completed. See “—FAILURE TO DEVELOP PROPERTIES” below. As a result, no assurance can be

given that such third-party builders or developers (including the Developer), will continue to pay the Assessments in the future or that they will be able to pay such Assessments on a timely basis. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant Landowner of benefited property, delays could occur in the payment of debt service on the 2025 Bonds as such bankruptcy could negatively impact the ability of the Developer and any other Landowner to pay the Assessments. In addition, the remedies available to the Owners of the 2025 Bonds under the Indenture 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, the remedies specified by federal, state and local law and in the Indenture and the 2025 Bonds, including, without limitation, enforcement of the obligation to pay Assessments and the ability of the County to foreclose the lien of such Assessments may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2025 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. The inability, either partially or fully, to enforce remedies available respecting 2025 Bonds could have a material adverse impact on the interest of the owners of the 2025 Bonds.

DEVELOPMENT RISKS

The progress of the Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. In addition, the growth of the Development is subject to comprehensive federal, state, and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of required improvements, both public and private, and construction of the buildings intended for the Development must be in accordance with applicable zoning, land use and environmental regulations. Failure to obtain any such approvals in a timely manner could delay or adversely affect the progress of the Development, which may negatively impact the Developer's desire or ability to continue such development. No assurance can be given that unknown hazardous materials, protected animals, etc. do not currently exist or may develop in the future whether originating within the Development or from surrounding property, and what effect such may have on the Development. See also, "**—FAILURE TO DEVELOP PROPERTIES**" below.

IMPACT OF ENVIRONMENTAL CONDITIONS ON VALUE

The value of the land within the District, the success and development of the Development, and the likelihood of timely payment of principal and interest on the 2025 Bonds could be affected by various factors, including factors related to environmental conditions. While environmental assessments of the land within the District have been performed in connection with the Development, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the District.

The value of the lands subject to the Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District lands unable to support future development. The occurrence of any such events could materially adversely impact the timely payment of principal and interest on the 2025 Bonds. The 2025 Bonds are not insured, and the County's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

LIMITED RECOURSE

The obligation of the Developer and the Current Landowners to pay the Assessments is limited solely to the obligation that any Landowner has to pay Assessments against its land, and neither the Developer nor the Current Landowners are a guarantor of payment by any other Landowner of the Assessments applicable to it, and the recourse for the Developer's or the Current Landowners' failure to pay Assessments is limited solely to its ownership interest in the assessed land. Assessments against land within the District that is not owned by the Developer or the Current Landowners are also not guaranteed by the owner of such land, and the recourse for the failure of any such Landowner to pay an Assessment is limited to such Landowner's ownership interest in the assessed land.

TIMELY PAYMENT OF ASSESSMENTS

The timely payment of the 2025 Bonds depends on the willingness and ability of the Landowners to pay Assessments when due. Failure of Landowners to pay Assessments when due could result in the rapid, total depletion of the Series 2025 Debt Service Reserve Account established for the 2025 Bonds and a default in payments of the principal of and interest on the 2025 Bonds.

VALUE OF REAL PROPERTY

Prospective purchasers of the 2025 Bonds should not assume that the real property within the District could be sold for an amount sufficient to fund delinquent Assessments.

MARKET AND COMPETITION

In general, the regional residential market and the retail, commercial and office markets are highly competitive and are affected by competitive changes in geographic area, changes in the public's spending habits, population trends, traffic patterns, economic conditions and business climate. Other competitive factors include location and attractiveness of facilities, proximity to certain types of businesses and supporting services. The ability of the Development to compete in this competitive market is dependent upon the foregoing and a variety of other factors about which no assurance can be given. See **"THE DEVELOPMENT—MARKET AND COMPETITION"** herein.

ASSESSMENT DELINQUENCIES

Timely payment of debt service on the 2025 Bonds is dependent upon timely receipt of the Assessments. Under provisions of the Act, the Assessments, from which funds necessary for the payment of principal of and interest on the 2025 Bonds are derived, are contained within a single bill from the County Auditor, which also includes the *ad valorem* taxes then due on the related Parcel within the District. Such Assessments are due and payable and bear the same penalties and interest for non-payment as do regular *ad valorem* property tax installments. The unwillingness or inability of Landowners to pay any portion of the amounts due with respect to taxes and assessments that relate to a parcel within the District could result in a foreclosure action being taken by the County.

In the event that sales or foreclosures of property are necessary, and if the Series 2025 Debt Service Reserve Account is depleted, there could be a delay in payments to owners of the 2025 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the County of the proceeds of sale.

See **"ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE"** for a discussion of the provisions which apply, and procedures which the County is obligated to follow in the event of delinquencies in the payment of Assessments. See **"—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS"** and **"—BANKRUPTCY"** below, for a

discussion of limitations on the County's ability to foreclose on the lien of the Assessments in certain circumstances.

POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS

In the event that any installment of Assessments or the payment of County real estate taxes is delinquent on March 17 of the year in which Assessments and County real estate taxes shall have become due, the County is authorized to initiate enforced collection procedures against the owner of record of the property. These procedures culminate in a sale, which should take place on the first Monday in October of the year in which such sums are due. The process of enforced collection and sale may be subject to delays for various reasons and potential investors should be aware that many of the reasons for delay are beyond the control of the County. See **"ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE."**

Delays and uncertainties in the enforced collection process create significant risks for owners of the 2025 Bonds. High rates of delinquency of Assessments or real estate tax payments that continue during the pendency of such proceedings could result in the rapid, total depletion of the Series 2025 Debt Service Reserve Account. In that event, there could be a default in payments of the principal of, and interest on, the 2025 Bonds.

The payment of the Assessments and the ability of the County to effect a sale to force collection of delinquent unpaid Assessments pursuant to its covenant to enforce collection may also be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See **"ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—COLLECTION PROCEDURES"** and **"BOND OWNERS' RISKS—LIMITATIONS ON COLLECTABILITY OF ASSETS"** and **"—BANKRUPTCY."**

The ability of the County to effect a sale with respect to the lien of a delinquent unpaid Assessments also may be limited with regard to properties in which the FLC may acquire an interest. The FLC currently does not have an interest in the land within the District. However, if a lender takes a security interest in the subject property and becomes insolvent, such a lender could fall under the jurisdiction of the FLC, in which case FLC policies regarding the payment of state and local property taxes, including real estate taxes and assessments, may apply and such policies may include a requirement that the County obtain the consent of the FLC prior to foreclosing on the lien of special taxes, which may affect the ability of the County to complete such a sale in a timely fashion.

No assurances can be given that the real property subject to sale will be sold; or that property acquired by the FLC in connection with a sale will be resold; or, if sold or resold, that the proceeds of such a sale will be sufficient to pay any delinquent Assessments. As provided in the Act, assessments (such as the Assessments) constitute a lien on real property superior to all other liens except the liens for property taxes. In the Act and in the statutes regarding collection procedures and the application of any proceeds of enforced collection, no distinction is made between the lien for assessments (such as the Assessments) and the liens for property taxes, and there is no State case law on point. Accordingly, the lien for assessments (such as the Assessments) is either at the same level of priority as, or is subordinate only to, the liens for property taxes. If the Series 2025 Debt Service Reserve Account is depleted and delinquencies in the payment of Assessments exist, there could be a default or delay in payments of debt service on the 2025 Bonds pending prosecution of foreclosure proceedings and receipt by the County of foreclosure sale proceeds, if any. There can therefore be no assurance that the Assessments will at all times be sufficient to pay debt service on the 2025 Bonds.

BANKRUPTCY

Although a bankruptcy proceeding would not cause the Assessments to become extinguished, the amount and priority of any Assessment could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of the Landowners could result in a delay in foreclosure proceedings. Such delay could increase the likelihood of a delay or default in the payment of debt service on the 2025 Bonds.

EXEMPT PROPERTIES

The Rate Study assumes that Assessments shall not be levied on Non-Assessed Property (as defined in the Rate Study). If for any reason any parcel of the property subject to Assessments becomes exempt from taxation by reason of transfer to or ownership by a non-taxable entity such as the federal, state or local government or another public agency, subject to *ad valorem* taxes and Assessments being paid current at the time of the transfer, the Rate Study does not reallocate Assessments to the remaining taxable parcels within the District. If the transfer occurs by reason of condemnation proceedings, the laws of the State require the application of condemnation proceeds, if any, to the payment of *ad valorem* taxes and assessments related to such property. The amount received as a result of such proceeding may not be sufficient to pay the Assessment upon such parcel. In the case of the public dedication, gift or transfer without consideration of a parcel, there may be no mechanism for collecting the Assessment on such parcel once it becomes Non-Assessed Property. The Rate Study provides that when a parcel is subdivided into additional parcels, and a subdivided parcel becomes Non-Assessed Property, the Assessment with respect to that parcel may be collected from the other subdivided parcels which remain taxable property. The Rate Study also provides that prepayment of the Assessment is required when a taxable parcel is acquired by an entity which results in such parcel being reclassified as Non-Assessed Property.

If a substantial portion of land within the District became exempt from Assessments because of public ownership or otherwise, the amount of the Assessments which could be levied upon the remaining property might not be sufficient to pay principal of and interest on the 2025 Bonds when due.

INSUFFICIENCY OF ASSESSMENTS

Within the limits of the Rate Study, the County may adjust the Assessments levied on all property within the District to provide an amount required to pay debt service on the Bonds and to pay all annual Administrative Expenses. However, the amount of the Assessments that may be levied against a particular parcel within the District is subject to the amount of the Assessments provided in the Rate Study approved by the County. There is no assurance that the amount of the Assessments will at all times be sufficient to pay the amounts required to be paid by the Indenture. For example, delays in collection or foreclosure of Assessments (including Assessments billed to each of the Developer and the Current Landowners as a landowner) could result in insufficient funds being available to pay timely debt service on the 2025 Bonds after depletion of the Series 2025 Debt Service Reserve Account. There is no provision in the Act, the Bond Ordinance or the District Ordinance for the levy of Assessments to replenish the Series 2025 Debt Service Reserve Account in the event of delays in collection or foreclosure.

See “ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE” above and the subsection “—POTENTIAL DELAY AND LIMITATIONS IN FORECLOSURE PROCEEDINGS” above under this heading.

DISCLOSURE TO FUTURE PROPERTY PURCHASERS

There is no provision in the Act that requires a notice to future purchasers other than the record notice provided in connection with the establishment of the District. There can be no guarantee that title companies will refer to such notices in title reports or that a prospective purchaser or lender will consider, or receive notice, of such Assessment obligation in the purchase of a parcel within the District or the lending of money thereon. Any failure on the part of a prospective lender or purchaser to determine the existence of the Assessments may affect the willingness and ability of such future Landowner to pay the Assessments when due.

NO ACCELERATION PROVISION

The Indenture contains no provision for the acceleration of the 2025 Bonds in the event of a payment default or other default under the terms of the 2025 Bonds or the Indenture. The ultimate source of recovery in the event of a default of payment of Assessments is the foreclosure provision described under **“ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHOD OF ASSESSMENTS; COLLECTIONS PROCEDURES—DELINQUENCIES; ENFORCEMENT; FORECLOSURE.”**

ILLIQUIDITY OF 2025 BONDS AND LIMITED SECONDARY MARKET

The 2025 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the 2025 Bonds in the event an owner of 2025 Bonds determines to solicit purchasers of the 2025 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the 2025 Bonds may be sold. Such price may be lower than that paid by the then 2025 Bondholder, depending on the progress of the development of the Development, existing market conditions and other factors. Although the County and the Developer have committed to provide certain financial and operating information as set forth in Appendix D hereto, there can be no assurance that such information will be available to owners of the 2025 Bonds on a timely basis. See **“CONTINUING DISCLOSURE”** herein. The failure to provide the required financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

LOSS OF TAX EXEMPTION

As discussed under the caption **“TAX TREATMENT,”** the interest on the 2025 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of delivery of the 2025 Bonds as a result of a failure of the County to comply with certain provisions of the Code. Should such event of taxability occur, the 2025 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption, extraordinary redemption or mandatory sinking fund redemption provisions (as applicable) of the Indenture.

OTHER ASSESSMENTS AND TAXES

The willingness and/or ability of a Landowner to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the County or any other local special purpose or general purpose governmental entities. Public entities whose boundaries overlap those of the District, including the Lancaster County Water and Sewer District, could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District.

LEGISLATIVE INITIATIVES

The South Carolina General Assembly may, from time to time, consider bills and proposed constitutional amendments that could affect local *ad valorem* property taxes and could reduce significantly the amount of *ad valorem* taxes that may be payable for property in the Development. No such proposals are currently pending and it is impossible to predict whether any of these proposals are forthcoming, what form they will take and when they might become effective.

FAILURE TO DEVELOP PROPERTIES

The County and the Developer will enter into the Series 2025 Project Agreement when the 2025 Bonds are issued, pursuant to which the Developer will agree to complete the Series 2025 Project and transfer components thereof to the County or other public entities, in exchange for a portion of the proceeds of the 2025 Bonds deposited to the Series 2025 Acquisition and Construction Account. The Series 2025 Project Agreement will provide, among other things, that the Developer will not be relieved of its obligation to construct and complete the Series 2025 Project even if there are insufficient funds in the Series 2025 Acquisition and Construction Account to pay the actual costs thereof. Further, the Developer will agree to pay any and all costs of acquiring, constructing, and installing the Series 2025 Project in excess of the available proceeds of the 2025 Bonds therefor (or in lieu thereof will acquire and construct the components of the Series 2025 Project not acquired and constructed by the County with such proceeds and convey such completed improvements to, or upon the order of, the County).

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Bond Owners should it be necessary to institute proceedings due to the nonpayment of Assessments. Failure to complete development or substantial delays in the completion of the development of the Development due to litigation or other causes may reduce the value of the Development and increase the length of time during which Assessments will be payable from undeveloped property, and may affect the willingness and ability of the Landowners of such property to pay the Assessments when due.

There can be no assurance that development operations with respect to the Development will not be adversely affected by a future deterioration of the real estate market and economic conditions or future local, state and federal governmental policies relating to real estate development, the income tax treatment of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect the ability or desire of the Landowners to pay the Assessments. Similarly, the failure by the Developer to close on the construction and sale of homes in the Development could reduce the ability or desire of the Developer to pay the Assessments. In either such event, there could be a default in the payment of principal of and interest on the 2025 Bonds when due.

LIMITED SOURCES OF FUNDS FOR FUTURE INFRASTRUCTURE AND LAND DEVELOPMENT COSTS

The Developer has estimated the costs of future infrastructure and land development, inclusive of the cost of infrastructure to be incurred after the date of this Limited Offering Memorandum, which the Developer would need to implement as part of its development plans for the development of the District and the balance of the Development. See “**THE SERIES 2025 PROJECT AND THE PROJECT**” herein for more information. The County will contribute no funds to the cost of the infrastructure and land development other than the proceeds of the 2025 Bonds and, if issued, the proceeds of Additional Bonds. Therefore, because the available proceeds of bonds will not be sufficient to finance the remaining estimated costs of the infrastructure and land development, the Developer, or its successor, will be the only source of money to pay the additional costs of such infrastructure and land development. The Developer expects to fund such remaining costs of infrastructure and land development, with a combination of equity, proceeds from the sale of homes and raw land, and proceeds of Additional Bonds, other bonds payable from

Assessments or equity. There can be no assurance that the Developer will have sufficient funds for such purpose, or that if it does have such funds, it will be willing to apply the funds for such purpose.

DIRECT AND OVERLAPPING INDEBTEDNESS, ASSESSMENTS AND TAXES

The ability of an owner of property within the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. The County and other public entities whose boundaries overlap those of the District currently impose *ad valorem* property taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. Under State law, the lien created on the property within the District through the levy of *ad valorem* property taxes would be equal to or superior to that for the Assessments securing the 2025 Bonds. The imposition of additional equal or superior liens may reduce the ability or willingness of the Landowners to pay the Assessments.

IRS EXAMINATION AND AUDIT RISK; FEDERAL TAX REFORM

Owners of the 2025 Bonds are advised that, if the Internal Revenue Service (the “IRS”) does audit the 2025 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the County as the taxpayer, and the 2025 Bondholders may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the 2025 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the 2025 Bonds, it is unlikely the County will make available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the 2025 Bonds would adversely affect the availability of any secondary market for the 2025 Bonds. Should interest on the 2025 Bonds become includable in gross income for federal income tax purposes, not only will 2025 Bondholders be required to pay income taxes on the interest received on such 2025 Bonds and related penalties, but because the interest rate on such 2025 Bonds will not be adequate to compensate 2025 Bondholders for the income taxes due on such interest, the value of the 2025 Bonds may decline.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2025 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2025 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2025 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See “TAX TREATMENT.”

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE 2025 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE 2025 BONDS OR A DETERMINATION OF TAXABILITY OF THE INTEREST ON THE 2025 BONDS AS A RESULT IN CHANGES TO FEDERAL INCOME TAX LAWS. PROSPECTIVE PURCHASERS OF THE 2025 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE 2025 BONDS IN THE EVENT THAT THE INTEREST ON THE 2025 BONDS BECOMES TAXABLE.

CYBERSECURITY

Lancaster County operates within a large and complex technology environment, similar to other public and private sector organizations. As a result, it faces ongoing and evolving cybersecurity threats. These threats may stem from accidental events or deliberate actions by unauthorized individuals attempting to access County information systems, whether to misappropriate data and assets or to cause operational disruptions and damage.

The County remains vigilant against a broad spectrum of cybersecurity threats, including, but not limited to, ransomware, malware, phishing campaigns, and attacks targeting both infrastructure and end-user devices. In response, Lancaster County has continued to make investments in layered cybersecurity controls and operational safeguards to protect its critical infrastructure, manage organizational risk, and enhance its ability to detect, contain, and respond to cyber incidents.

Over the past year, the County has strengthened its cybersecurity posture through several key initiatives:

- **Cybersecurity Awareness & Training:** All County personnel are required to complete annual cybersecurity training. This initiative ensures that the workforce remains knowledgeable, alert, and capable of identifying and responding to emerging cyber threats.
- **Managed Detection and Response (MDR):** The County has implemented 24/7 MDR services supported by a dedicated Security Operations Center (SOC). This capability enhances continuous threat monitoring and improves the County's ability to detect and remediate malicious activity affecting users or systems quickly.
- **Incident Response Framework:** A formal cybersecurity response team and structured incident response workflow have been established to assess threats, coordinate responses, and facilitate post-incident recovery.
- **Patch and Vulnerability Management:** To protect against known vulnerabilities, the County enforces standardized patch management procedures, particularly for Microsoft Windows systems. In addition, vulnerability management tools have been deployed to perform automated scans of all County-managed devices, identifying and remediating software weaknesses before they can be exploited.
- **Policy and Governance Updates:** The County continues to refine and adopt cybersecurity policies in response to emerging risks, aligning with best practices to ensure a comprehensive and adaptable security framework.
- **Log Aggregation and Review:** Recently, the County added centralized log aggregation hardware to support more efficient incident analysis and improve visibility during forensic reviews.

These ongoing enhancements reflect Lancaster County's commitment to maintaining a robust cybersecurity program that safeguards its information assets, minimizes operational risk, and supports the continuity of critical services.

However, no assurance can be given that any such attack will not materially affect the operation of the County, which could affect the timely billing and collection of Assessments and the payment of debt service on the 2025 Bonds.

PANDEMICS AND OTHER PUBLIC HEALTH EMERGENCIES

The COVID-19 pandemic severely impacted global financial markets, unemployment levels and commerce generally. It is possible that, in the future, the spread of epidemic or pandemic diseases and/or government health and public safety restrictions imposed in response thereto could adversely impact the District, the Developer or other Landowners, the timely and successful completion of the Development, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs.

ADDITIONAL RISKS

This section does not purport to summarize all risks that may be associated with purchasing or owning the 2025 Bonds and prospective purchasers are advised to read this Preliminary Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the 2025 Bonds.

TAX TREATMENT

FEDERAL TAX TREATMENT

In the opinion of Burr & Forman LLP, Columbia, South Carolina, as Bond Counsel, to be delivered on the date of issuance of the 2025 Bonds, assuming continuing compliance by the County with certain covenants and the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable regulations promulgated thereunder (the “Regulations”), interest on the 2025 Bonds is excludable from gross income of the registered owners thereof for federal income tax purposes under existing statutes, regulations, and judicial decisions. Interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The Inflation Reduction Act, H.R. 5376 includes an alternative minimum tax to be imposed on the “adjusted financial statement income” of “applicable corporations,” as each is defined therein. The interest on the 2025 Bonds may be included in the adjusted financial statement income of such applicable corporations for purposes of computing such alternative minimum tax. Bond Counsel has expressed no opinion regarding other federal tax law consequences arising with respect to the 2025 Bonds.

The Code and the Regulations promulgated thereunder, imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations, such as the 2025 Bonds. The County has covenanted to comply with certain covenants, restrictions, conditions and requirements designed to ensure that interest on the 2025 Bonds will not become includable in gross income. Failure to comply with these covenants could cause interest on the 2025 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2025 Bonds. The opinion of Bond Counsel assumes the accuracy of certain representations of the County with respect to the investment and use of proceeds of the 2025 Bonds and compliance by the County with certain covenants.

Although Bond Counsel is of the opinion that interest on the 2025 Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2025 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the 2025 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise

entitled to claim the earned income credit or the refundable credit for coverage under a qualified health plan, taxpayers subject to the application of backup withholding and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the 2025 Bonds.

[ORIGINAL ISSUE DISCOUNT

Certain of the 2025 Bonds may be sold at initial public offering prices which are less than the principal amounts payable at maturity (“Discount Bonds”). The difference between the initial public offering prices to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the Discount Bonds is sold and the amount payable at maturity constitutes original issue discount, which is excludable from gross income to the same extent as interest on the 2025 Bonds for federal income tax purposes.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a constant yield to maturity basis. The amount of original issue discount that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of a Discount Bond will be treated as gain from the sale or exchange of such Discount Bond.

Purchasers of Discount Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes, and with respect to the state and local tax consequences of owning Discount Bonds.

ORIGINAL ISSUE PREMIUM

Certain of the 2025 Bonds may be sold at initial offering prices, or may be subsequently purchased at prices, which are 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 premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over the Premium Bond’s term using constant yield principles, based on such Premium Bond’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bond, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.]

CHANGE IN LAW

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the interest on the 2025 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration offered a legislative proposal which generally would have limited the exclusion from gross income of interest on obligations like the 2025 Bonds to some extent for taxpayers who are individuals and whose income is

subject to higher marginal income tax rates. Other proposals have been made that would significantly reduce the benefit of, or otherwise affect, the exclusion from gross income on obligations like the 2025 Bonds. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislative, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

IRS AUDIT

The Internal Revenue Service (“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. Under current procedures, parties other than the County and its appointed counsel, including the beneficial owners, 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 County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to, selection of the 2025 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 2025 Bonds, and may cause the County or the beneficial owners to incur significant expense.

STATE TAX TREATMENT

Bond Counsel is of the opinion that under present laws of the State, interest on the 2025 Bonds will be excluded from South Carolina taxation, except estate, transfer and certain franchise taxes. Section 12-11-20 of the South Carolina Code imposes upon every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Department of Revenue regulations require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the 2025 Bonds will be included in such computations.

SUITABILITY FOR INVESTMENT

Investments in the 2025 Bonds pose certain economic risks and are most suitable for sophisticated, institutional investors. No dealer, broker, salesman or other person has been authorized by the County or the Underwriter to give any information or make any representations, other than those contained in this Preliminary Limited Offering Memorandum.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2025 Bonds upon an event of default under the Indenture 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 the federal bankruptcy code, the remedies specified by the Indenture and the 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2025 Bonds will be qualified, as to the enforceability of the remedies provided in 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.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2025 Bonds, or in any way contesting or affecting the validity of the 2025 Bonds or any proceedings of the County taken with respect to the issuance or sale thereof, the validity of the Assessments, the pledge or application of any moneys or security provided for the payment of the 2025 Bonds, or the existence or powers of the County.

There is no litigation against the Developer of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of the Development as described herein, materially and adversely affect the ability of the Developer to pay the Assessments imposed against the lands within the District owned by the Developer or other Current Landowners or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum or to enter into the Developer's Continuing Disclosure Agreement (as defined herein) or the Funding Agreement.

CONTINUING DISCLOSURE

The County and the Developer have each agreed to execute separate Continuing Disclosure Agreements (each, a "Continuing Disclosure Agreement") with Municap, Inc., as dissemination agent, to provide certain annual financial information, operating data and notice of the occurrence of certain events with respect to the 2025 Bonds, if deemed material. In addition, certain information will be provided on a quarterly basis during the development stage of the District. The specific nature of the information, as well as the circumstances under which material events will be reported, is contained in Appendix D, **"FORMS OF CONTINUING DISCLOSURE AGREEMENTS."**

A failure to comply with the requirements of either Continuing Disclosure Agreement will not result in a default under the Indenture.

In connection with the issuance of the County's general obligation bonds (CUSIP #514084), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain operating and financial data with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") by February 1 after the end of each fiscal year and the timely filing of notices of certain listed events. For the below fiscal years, the County caused its continuing disclosure annual report (including its Comprehensive Annual Financial Report or Annual Comprehensive Financial Report, as applicable) to be filed on EMMA on the following dates:

| <u>Fiscal Year Ended</u> <u>(June 30)</u> | <u>Date of Filing</u> |
|--|-----------------------|
| 2020 | January 28, 2021 |
| 2021 | January 19, 2022 |
| 2022 | January 17, 2023 |
| 2023 | January 30, 2024 |
| 2024 | March 24, 2025 |

In connection with the issuance of the County's special obligation bonds (CUSIP #51412A), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain operating and financial data with EMMA by February 1 after the end of each fiscal year (beginning with the fiscal year ended June 30, 2021) and the timely filing of notices of certain listed events. For the below fiscal years, the County caused its continuing disclosure annual report (including its

Comprehensive Annual Financial Report or Annual Comprehensive Financial Report, as applicable) to be filed on EMMA on the following dates:

| <u>Fiscal Year Ended</u> <u>(June 30)</u> | <u>Date of Filing</u> |
|--|-----------------------|
| 2021 | January 19, 2022 |
| 2022 | January 17, 2023 |
| 2023 | January 30, 2024 |
| 2024 | March 24, 2025 |

In connection with the issuance of the installment purchase revenue bonds issued by Lancaster County Public Facilities Corporation (CUSIP #514116), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain operating and financial data with EMMA by February 1 after the end of each fiscal year (beginning with the fiscal year ended June 30, 2023) and the timely filing of notices of certain listed events. For the below fiscal years, the County caused its continuing disclosure annual report (including its Comprehensive Annual Financial Report or Annual Comprehensive Financial Report, as applicable) to be filed on EMMA on the following dates:

| <u>Fiscal Year Ended</u> <u>(June 30)</u> | <u>Date of Filing</u> |
|--|-----------------------|
| 2023 | January 30, 2024 |
| 2024 | March 24, 2025 |

In connection with the issuance of the County’s special assessment debt obligations (CUSIP #514088) issued with respect to improvement districts known as “Edgewater I Improvement District”, “Edgewater II Improvement District”, “Sun City Improvement District” and “Walnut Creek Improvement District” (formerly known as “Edenmoor Improvement District”), the County previously executed continuing disclosure undertakings requiring the filing of annual reports containing certain improvement district data with EMMA by a date certain after the end of each fiscal year and the timely filing of notices of certain listed events. With the exception of the County’s Edgewater II Improvement District assessment revenue bonds (“Edgewater II”) and the filing of the County’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, each as described below, the County has caused an annual report (including its Comprehensive Annual Financial Report or Annual Comprehensive Financial Report, as applicable) to be filed on EMMA by the applicable filing deadline.

The County’s improvement district assessment revenue bonds issued in connection with the establishment of the Edgewater II Improvement District were in default between 2011 and 2020. While the County’s continuing disclosure undertaking with respect to the Edgewater II Improvement District assessment revenue bonds remained in effect during that time, the default in the payment of assessments, created certain challenges with respect to the availability of data necessary to generate the annual reports. As a result, neither the County nor MuniCap, Inc., the County’s dissemination agent with respect to Edgewater II, filed an annual report for fiscal years ended June 30, 2018, 2019 and 2020. On October 29, 2021, the County caused the filing of notices of failure to file related to such annual reports. The County’s continuing disclosure undertaking with respect to the Edgewater II Improvement District assessment revenue bonds terminated on December 8, 2021 in connection with the restructuring of the Edgewater II Improvement District assessment revenue bonds.

In connection with the County’s general obligation bonds (CUSIP #514084) and special obligation bonds (CUSIP #51412A) and the installment purchase revenue bonds issued by Lancaster County Public Facilities Corporation (CUSIP #514116), the County caused a Notice of Failure to File to be filed on January 31, 2024 relating to the filing of the County’s annual report (including its Annual Comprehensive

Financial Report) for fiscal year ended June 30, 2024 (the “Fiscal Year 2024 Annual Report”). The County caused the Fiscal Year 2024 Annual Report to be filed on EMMA on March 24, 2025.

In connection with the issuance of the County’s special assessment debt obligations (CUSIP #514088), the County caused a Notice of Failure to File to be filed on January 31, 2024 relating to the filing of the County’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024 (the “Fiscal Year 2024 ACFR”). The County caused the Fiscal Year 2024 ACFR to be filed on EMMA on March 24, 2025

In addition, the County has caused certain Notices of Listed Event and Voluntary Notices to also be filed on EMMA, including a Notice of Defeasance filed on October 5, 2023 relating to a defeasance that occurred on September 15, 2023.

The Developer is an affiliate of Lennar Homes, LLC, a Florida limited liability company (“Lennar Homes”). Lennar Homes has represented and warranted that, to its knowledge, it has provided on a timely basis all reporting information requested by the applicable dissemination agent with respect to prior continuing disclosure agreements entered into pursuant to SEC Rule 15c2-12. Lennar Homes has been made aware of instances where the information required to be provided to the dissemination agents was not timely requested, not filed with the appropriate repository or, if filed, not filed on a timely basis. Lennar Homes has represented that it has instituted internal processes to provide information to the dissemination agents on a timely basis and obtained assurances from the dissemination agents that they will in turn request the required reporting information timely and file such information timely with the appropriate repository.

UNDERWRITING

The Underwriter set forth on the cover page hereof has agreed pursuant to a contract with the County, subject to certain conditions, to purchase the 2025 Bonds from the County at a purchase price of \$_____ (representing \$_____ aggregate principal amount of the 2025 Bonds, [plus][less] net original issue [premium][discount] and less an underwriter’s discount of \$_____). The Underwriter’s obligation is subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the 2025 Bonds if any are purchased. The 2025 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

NO RATING

The 2025 Bonds are not rated, nor has any rating for the 2025 Bonds been applied for. The 2025 Bonds are subject to a significant degree of risk and are suitable for investment consideration only for those persons who are sophisticated and experienced in investments of this type. See **“BOND OWNERS’ RISKS.”**

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the 2025 Bonds are subject to the approval of Burr & Forman LLP, Columbia, South Carolina, Bond Counsel. Burr & Forman LLP, Columbia, South Carolina, is also serving as disclosure counsel. GrayRobinson, P.A., Tampa, Florida, is serving as counsel to the Underwriter. Certain legal matters will be passed upon for the County by its County Attorney, Virginia L. Merck-Dupont; and for the Developer by its counsel, Pope Flynn, LLC, Columbia, South Carolina.

CONTINGENT AND OTHER FEES

The County is paying the fees of Bond Counsel, the Consultant, the Developer's counsel, the Underwriter (which has retained Underwriter's counsel), and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the 2025 Bonds. Payment of the fees of certain of these professionals is contingent upon the issuance of the 2025 Bonds.

FORWARD-LOOKING STATEMENTS

This Preliminary Limited Offering Memorandum contains certain "forward-looking statements" concerning the County and the Developer's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of either the County or the Developer. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate," and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

MISCELLANEOUS

Any statements made in this Preliminary Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the 2025 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions. Contemporaneously with the issuance of the 2025 Bonds, an authorized representative of the County will furnish a certificate to the effect that nothing has come to his or her attention that would lead him to believe that this Preliminary Limited Offering Memorandum (excluding the information under the captions "**DESCRIPTION OF THE 2025 BONDS—BOOK-ENTRY SYSTEM,**" "**THE SERIES 2025 PROJECT AND THE PROJECT,**" "**THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS**" and Appendices A through E), as of its date and as of the date of delivery of the 2025 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included herein for the purposes for which this Preliminary Limited Offering Memorandum is to be used, or which is necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

This Preliminary Limited Offering Memorandum has been prepared in connection with the sale of the 2025 Bonds and may not be reproduced or used, as a whole or in part, for any purpose. This Preliminary Limited Offering Memorandum is not to be construed as a contract with the Holders or Beneficial Owners of any of the 2025 Bonds.

This Preliminary Limited Offering Memorandum has been duly authorized, executed and delivered by the County and deemed “final” by the County within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

ASSESSMENT ROLL FOR THE DISTRICT, INCLUDING RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

Roselyn Residential Improvement District

Lancaster County, South Carolina

ASSESSMENT ROLL

**Roselyn Residential Improvement District
Lancaster County, South Carolina**

ASSESSMENT ROLL

| Parcel Identification | Acres | Owner | Assessment |
|-----------------------|------------------|-------------------------|------------------------|
| Non Assessed Property | | | |
| 0044-00-024.01 | 84.279 | Lancaster County | \$0.00 |
| Assessed Property | | | |
| 0044-00-024.00 | 1,235.500 | Lennar Carolinas, LLC | |
| 0045-00-004.01 | 76.050 | Lennar Carolinas, LLC | |
| | | Total Assessment | \$85,943,373.03 |
| Total | 1,395.829 | | |

The "Rate and Method of Apportionment of Assessment," which is attached hereto as Appendix A and incorporated herein, includes a number of provisions related to the Assessment. The Assessment shall be collected, reallocated, reduced, terminated, prepaid and applied as set forth in the Rate and Method of Apportionment of Assessment.

Appendix B-1 attached hereto and incorporated herein shall be updated each Assessment Year to reflect, among other things, the current Parcels in the Harris Mill Residential Improvement District, the Assessment for each Parcel, including any reallocations for subdivisions and adjustments, the Annual Installment and the Annual Payment for the Assessment Year for which the Assessment Roll is being updated, prepayments or termination of the Assessment and other changes, all as provided for in the Rate and Method of Apportionment of Assessment.

The Annual Installment for each Assessment Year is shown by Appendix B-2 attached hereto and incorporated herein; the Annual Installment and Appendix B-2 shall be updated each Assessment Year pursuant to the Rate and Method of Apportionment of Assessment.

Undefined terms used herein shall have the meaning as given in the Rate and Method of Apportionment of Assessment, attached as Appendix A.

ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT

Lancaster County, South Carolina

Appendix A to Assessment Roll

Rate and Method of Apportionment of Assessment

A. INTRODUCTION

The Assessment (as defined below) shall be imposed on and collected from real property within the Roselyn Residential Improvement District (the "District"), created by the Lancaster County Council by the Ordinance (as defined below), through the application of the procedures described below. Lancaster County Council or its designee shall make all determinations in this Rate and Method of Apportionment of Assessment unless stated otherwise.

The Assessment for each Parcel (as defined below) represents the total obligation of a Parcel, including the Parcel's share of principal and interest on the Bonds (as defined below) and Administrative Expenses (as defined below) of the District. The Assessment may be prepaid at any time as set forth herein. If not prepaid, the Assessment is payable annually as the Annual Installment (as defined below). The Annual Installment establishes the maximum payments of the Assessment that may be collected from the Parcels in any given year. It may not be necessary to collect the full amount of the Annual Installment. The portion of the Annual Installment required to be collected each year is the Annual Payment (as defined below).

B. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means the Residential Improvement District Act (S.C. Code Section 6-35-10, *et. seq.*, as amended from time to time).

"Administrative Expenses" means the actual or budgeted costs, as applicable, directly related to the administration of the District, including but not limited to: the costs of the recurring updates to the Assessment Roll; the costs of computing the Annual Installment and Annual Payment; the costs of collecting the Annual Payment; the costs of remitting the Annual Payment to the Trustee; the costs of the Administrator and Trustee (including their legal counsel) in the discharge of their duties; the costs of the County of complying with arbitrage rebate requirements; the costs of the County of complying with securities disclosure requirements; County expenses for the billing, collection and enforcement of the Assessment or in any other way related to the District; and any other costs of the County related to the administration and operation of the District, including, without limitation, the costs of legal counsel and other consultants and advisors, and costs related

to commencing foreclosure and pursuing collection of delinquent Annual Payment.

"Administrator" means the official or designee of the County who shall be responsible for the updates of the Assessment Roll and such other responsibilities as provided herein or in separate documents or agreements relating to or governing the District.

"Annual Developed Property Revenue Requirement" means, for any Assessment Year for which no capitalized interest is estimated to be available to pay debt service, the Annual Revenue Requirement, and for any Assessment Year for which some capitalized interest is estimated to be available, the sum of the following: (1) regularly scheduled debt service on the Bonds; (2) periodic costs associated with such Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; (3) Administrative Expenses, including any contingencies; less (a) any other funds available pursuant to the Bond Indenture to apply to the Annual Revenue Requirement, excluding capitalized interest, and (b) any other funds available to the District that may be applied to the Annual Revenue Requirement.

"Annual Installment" means for any given Assessment Year the portion of the Assessment due and payable in the selected Assessment Year as set forth on **Appendix B-2** attached hereto. The multi-year schedule of the Annual Installment shown on **Appendix B-2** may be revised to reflect the payments due on the Bonds and Administrative Expenses as long as the sum of the Annual Installment for all years does not exceed the sum of the Assessment for all the Parcels.

For each Assessment Year, a portion of the Annual Installment shall be assigned to each Parcel of Developed Property in an amount equal to the lowest of the following: (1) the Maximum Annual Installment per Equivalent Unit multiplied by the Parcel's Equivalent Units (utilized at the allocation of the Assessment to the Parcel); (2) the Assessment on the Parcel; or (3) the amount calculated by the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Annual Installment assigned to the Parcel of Developed Property
- B = the total Annual Assessment
- C = the Assessment of the Parcel of Developed Property
- D = the sum of the Assessment on all Parcels of Developed Property

For each Assessment Year, a portion of the Annual Installment shall be assigned in total to all Parcels of Undeveloped Property in an amount equal to the total Annual Installment less the sum of the Annual Installment assigned to all Parcels of Developed Property. The Annual Installment shall not be assigned to individual Parcels of Undeveloped Property.

"Annual Payment" for each Parcel of Assessed Property shall be the portion of the Parcel's Annual Installment to be collected from such Parcel each Assessment Year as determined by the provisions of Section D.

"Annual Payment Rate for Developed Property" means for any Assessment Year, the Annual Developed Property Revenue Requirement divided by the sum of the Principal Portion of Assessment for all Parcels of Developed Property.

"Annual Payment Rate per Acre of Residual Property" means the amount defined in Section D.2 below.

"Annual Payment Rate per Acre of Subdivided Property" means the amount defined in Section D.2 below.

"Annual Revenue Requirement" means, for any Assessment Year, the sum of the following: (1) regularly scheduled debt service on the Bonds; (2) periodic costs associated with such Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; (3) Administrative Expenses, including any contingencies; less (a) any other funds available pursuant to the Bond Indenture to apply to the Annual Revenue Requirement, such as capitalized interest and interest earnings on any account balances and (b) any other funds available to the District that may be applied to the Annual Revenue Requirement.

"Assessed Property" means, for any Assessment Year, Parcels within the District other than Non-Assessed Property.

"Assessment" means the Assessment imposed on Assessed Property pursuant to the Ordinance and the provisions herein and as shown on the Assessment Roll, as it may be reapportioned, reduced, and terminated pursuant to the provisions herein.

"Assessment Roll" means the Assessment Roll to which this Rate and Method of Apportionment of Assessment is attached as **Appendix A**, as corrected or confirmed by the Assessment Ordinance, including **Appendices B-1 and B-2** also attached hereto, as these appendices are updated from time to time by the City in accordance with the procedures set forth herein.

"Assessment Year" means the annual cycle in which the Annual Installment and Annual Payment are determined each year for each Parcel, the Annual Payment is collected, and these revenues applied to the payments on the Bonds and Administrative Expenses.

"Bond Indenture" means an indenture or similar document setting forth the terms and other provisions relating to Bonds, as modified, amended and/or supplemented from time to time.

"Bonds" means any bonds or other debt issued or expected to be issued by the County pursuant to the Act which are secured by the Assessment, whether in one or more series, including any bonds issued to refund such bonds.

"County" means Lancaster County, South Carolina.

"County Administrator" means the County Administrator or his designee.

"County Council" means the County Council of the County.

"Date of Classification" means June 30 of each year.

"Developed Property" means a Parcel of Assessed Property for which a building permit has been issued which allows the construction of a structure intended for occupancy.

"Equivalent Units" means for each Parcel of Assessed Property that is determined to be: (1) Land Use Class 1, the number of residential units that are either built or expected to be built on the Parcel multiplied by the factor below; (2) Land Use Class 2, the number 1.00 multiplied by the factor below.

| | |
|------------------|---------------------------|
| Land Use Class 1 | 1.00 per residential unit |
| Land Use Class 2 | 0.00 per Parcel |

A Parcel's Equivalent Units shall be initially established at the Parcel's creation. If applicable, Parcel's Equivalent Units shall be adjusted at the time that the Parcel is determined to be Developed Property.

The computation of Equivalent Units for each Parcel shall be based on the expected development in substantial conformance with any and all County approved development restrictions and measured by actual development, development plans, the legal maximum development allowed, the acreage of a Parcel, reasonable density ratios and other reasonable methods. County Council shall approve the computation of a Parcel's Equivalent Units.

As needed, the classification of real property within a Parcel as Land Use Class 1 or Land Use Class 2 shall be made through the selection of the land use class that is most consistent with the use or expected use of the real property.

A Parcel's Equivalent Units shall remain as previously estimated until such time as an owner(s) of Parcels request a reallocation of Assessment amongst the Parcels in accordance with Section C-3-c below and such request is approved by County Council, or the Parcel is subdivided.

"Improvement Plan" means the "Improvement Plan - Roselyn Residential Improvement District" approved by the Ordinance.

"Land Use Class 1" means a Parcel of Assessed Property not classified as Land Use Class 2.

“Land Use Class 2” means a Parcel of Assessed Property that is expected to be open space or green space.

“Mandatory Full Prepayment of Assessment” shall mean a mandatory full prepayment of the Assessment pursuant to Section J (1).

“Mandatory Partial Prepayment of Assessment” shall mean a mandatory partial prepayment of the Assessment pursuant to Section J (2).

“Maximum Annual Installment per Equivalent Unit” shall mean \$1,550.00.

“Non-Assessed Property” means Public Property, Owner Association Property or Utility Property.

“Ordinance” means Ordinance No. 2020-1691 enacted by County Council on December 14, 2020, creating the District, approving the Improvement Plan and approving the Assessment Roll, including this Rate and Method of Apportionment of Assessment which is attached to the Assessment Roll as Appendix A.

“Owner Association Property” means Parcels owned by or irrevocably offered for dedication to a property owners association and available for general use by the property owners.

“Parcel” means a lot or parcel within the District with a tax map identification number assigned or to be assigned for real property tax collection purposes or as otherwise determined by the County.

“Principal Portion of Assessment” means, for each Parcel, a portion of Assessment in the amount shown under the column heading “Principal Portion of Assessment” on **Appendix B-1** hereto, as it may be reapportioned upon the subdivision of any Parcel according to the provisions of Section C.2., adjusted according to Section C.3., reduced according to the provisions of Section C.4., and terminated pursuant to Section I. The Principal Portion of Assessment reflects the principal portion of the existing and anticipated Bonds. The Principal Portion of Assessment may be increased for refunding bonds or other reasons as long as the total of the Assessment is not increased.

“Public Property” means Parcels owned by or irrevocably offered for dedication to the federal government, the State of South Carolina, the County, or any other public agency, political subdivision, or other public entity, whether in fee simple or in any other property ownership interest that creates a substantially exclusive use by the public entity in the Parcel. The existence of an easement on a portion of a Parcel does not make the parcel Public Property.

“Residual Property” means a Parcel of Assessed Property other than Developed Property and Subdivided Property.

"Subdivided Property" means a Parcel of Assessed Property for which a plat has been recorded after the creation of the District other than Developed Property.

"True-Up Agreement" means a potential agreement established pursuant to the Bond Ordinance that provides for the maximum, if any, Assessment or Principal Portion of Assessment per Equivalent Unit or related restriction.

"Trustee" means the trustee as specified in a Bond Indenture, including any successor trustee.

"Undeveloped Property" means all Parcels of Residual Property and Subdivided Property.

"Utility Property" means Parcels owned by or irrevocably offered for sale or dedication to a provider of utilities, including but not limited to providers of the following: power, gas, water, sewer and telecommunications.

C. ASSESSMENTS

1. The Amount of the Assessment

The Assessment for Parcels of Assessed Property are shown on the Assessment Roll.

The Assessment for each Parcel shall not be changed except pursuant to the provisions provided for herein and in the Assessment Roll.

No Assessment will be allocated to Non-Assessed Property.

2. Determining the Assessment on Parcels

The Assessment shall be set on a Parcel when the Parcel is classified as Developed Property and thus is not fixed or determinable on Parcels of Undeveloped Property. The allocation of the Assessment to the Parcel(s) of Developed Property shall be made pursuant to the following formula:

$$A = B \times [C \div (C + D)]$$

Where the terms have the following meanings:

A = the Assessment of the Parcel of Developed Property

B = the aggregate Assessment of all Parcels of Undeveloped Property prior to this allocation

C = the Equivalent Units of the Parcel of Developed Property

D = the Equivalent Units of the remaining Parcel(s) of Undeveloped Property after this allocation

In all cases, after the allocation to the Parcel(s) of Developed Property, the sum of the Assessment allocated to the Parcel(s) of Developed Property and the aggregate Assessment of the remaining Parcel(s) of Undeveloped Property shall equal the total Assessment on the Parcels of Undeveloped Property before the allocation of the Assessment.

Upon the allocation of the Assessment to the Parcel(s) of Developed Property, the total Principal Portion of Assessment shall be allocated to the Parcel(s) of Developed Property in the same manner as the allocation of the Assessment described above.

3. Adjustments to the Assessment

a. Subdivision of a Parcel

Upon the subdivision of any Parcel of Developed Property, the Assessment for the Parcel prior to the subdivision shall be allocated to each resulting Parcel in proportion to the Equivalent Units of each resulting Parcel and the Assessment for the undivided Parcel prior to the subdivision, according to the following formula.

$$A = B \times C \div D$$

Where the terms have the following meanings:

A = the Assessment of the resulting Parcel

B = the Assessment of the undivided Parcel prior to the subdivision

C = the Equivalent Units of the resulting Parcel

D = the sum of the Equivalent Units for all of the Parcels that result from the subdivision, as estimated at the time of the subdivision.

In all cases, the sum of the Assessment for all of the resulting Parcels after the subdivision of the Parcel shall equal the Assessment on the parent Parcel before the subdivision of the parent Parcel. In all such case of subdivisions of parcels of Developed Property, all of the resulting parcels shall be Parcels of Developed Property.

Upon the subdivision of any Parcel of Developed Property, the Principal Portion of Assessment shall be allocated to each new Parcel in the same manner as the allocation of the Assessment.

b. Consolidation of Parcels

Upon the consolidation of two or more Parcels of Developed Property, the Assessment and the Principal Portion of Assessment for the consolidated Parcel shall equal the sum of the Assessment and the Principal Portion of Assessment, respectively, for the Parcels immediately prior to the consolidation.

To the extent that an owner of a Parcel of Developed Property wishes to consolidate its Parcel with a Parcel of Undeveloped Property, or alternatively, a Parcel of Developed Property has been consolidated with a Parcel of Undeveloped Property, the Assessment and Principal Portion of Assessment shall be set for the Parcel of Undeveloped Property according to the formula provided in Section C-2 above. Following that allocation, the Assessment and the Principal Portion of Assessment of the multiple Parcels shall be consolidated as detailed above.

c. Request of a Parcel Owner(s)

The Assessment on Parcels of Developed Property shall be reallocated by a resolution of County Council upon the unanimous request of the owners of the Parcels for which the Assessments are to be reallocated if the Equivalent Units of one of the Parcels has changed since the last allocation of Assessment to the Parcel.

The reallocation of the Assessment shall be made pursuant to the following formula:

$$A = B \times C \div D$$

Where the terms have the following meanings:

- A = the Assessment after reallocation for each Parcel for which the Assessment is being reallocated
- B = the sum of the Assessment of all Parcels involved in the reallocation prior to the reallocation
- C = the Equivalent Units of the Parcel as calculated at the time of the reallocation
- D = the sum of the Equivalent Units for all of the Parcels for which Assessments are being reallocated as calculated at the time of the reallocation

In all cases, the sum of the Assessments on all Parcels involved in the reallocation after the reallocation shall equal the sum of the Assessments on all Parcels involved in the reallocation immediately prior to such reallocation.

Upon a reallocation of the Assessment at the request of an owner(s) as explained above, the Principal Portion of Assessment shall be reallocated to each Parcel in a consistent manner as the allocation of the Assessment to each Parcel.

4. Reduction in the Assessment on Parcels

a. Reduction in Costs

If County Council determines that the costs to be incurred to be paid by the Assessment, including costs related to the issuance and repayment of the Bonds and Administrative Expenses, including potential, additional Bonds, are reduced to an amount less than the total of the Assessment, the

Assessment for each Parcel of Assessed Property shall be reduced such that the adjusted, total Assessment equals the costs to be incurred to be paid by the Assessment.

The reduction to each Parcel shall be in equal percentage to each Parcel. County Council may, under compliance with any applicable law, reduce the Assessment in another manner under this section if County Council determines another method would be more equitable or practical.

The Assessment as reduced according to the provisions of this section shall not be reduced to an amount that is less than the remaining principal and interest on the Bonds outstanding and to be issued, through maturity, plus estimated Administrative Expenses.

The Principal Portion of Assessment shall be reduced for any reduction in costs pursuant to this section that also results in a reduction in the Bonds outstanding or to be issued. In such case, the Principal Portion of Assessment shall be reduced in the same manner as the reduction in Assessment. The Principal Portion of Assessment for all of the Parcels shall not be reduced to an amount less than the Bonds outstanding and to be issued.

b. Payment of the Assessments

The Assessment applicable to any Parcel shall be reduced each Assessment Year for the Annual Payment billed to such Parcel.

The Principal Portion of Assessment for each Parcel shall be reduced for the portion of the Annual Payment to pay principal on the Bonds that is billed to each Parcel.

The Assessment and the Principal Portion of the Assessment applicable to any Parcel shall be reduced for any prepayment of the Assessment for such Parcels pursuant to Section I and Section J below.

The Principal Portion of Assessment for the Parcels shall not be reduced to an amount such that the sum of the Principal Portion of Assessment of all Parcels is less than the Bonds outstanding and to be issued.

D. METHOD OF DETERMINING THE ANNUAL PAYMENT

Commencing with the Annual Payment to be collected in the 2020-2021 Assessment Year and for each following Assessment Year, the Administrator shall calculate and County Council shall confirm the Annual Payment on each Parcel of Assessed Property. The Annual Payment for each Parcel of Assessed Property shall be determined as indicated below. For this annual calculation of the Annual Payment, all Parcels shall be classified for the given Assessment Year as Developed Property or Undeveloped Property, utilizing the status of the Parcel of the most recent Date of Classification. Parcels of Undeveloped Property shall be classified as Residual Property or

Subdivided Property in accordance with the definitions above. The classifications of the Parcels specified above shall be made by the Administrator and shall be confirmed by County Council.

The Annual Payment shall be collected from each Parcel of Assessed Property in conformance with Section E.

1. The Annual Payment for Developed Property

For a given Assessment Year, the Annual Payment for a Parcel of Developed Property shall be the lesser of (1) the Annual Installment assigned to the Parcel or (2) the amount calculated from the following formula:

$$A = B \times C$$

Where the terms have the following meanings:

- A = the Annual Payment of the Parcel
- B = the Principal Portion of Assessment for the Parcel
- C = the Annual Payment Rate for Developed Property

2. The Annual Payment for Undeveloped Property

The aggregate Annual Payment for all of the Parcels of Undeveloped Property shall equal the Annual Revenue Requirement less the total of the Annual Payments billed to all Parcels of Developed Property, but cannot be less than zero. The Annual Payment for all Parcels of Undeveloped Property shall be allocated between Residual Property and Subdivided Property based on the relative assessed value of each classification (Residual Property vs. Subdivided Property) derived from these Parcels of Undeveloped Property (relative assessed value means the aggregate assessed value of each of these two types of Undeveloped Property divided by the total assessed value of all such Parcels of Undeveloped Property). The specific calculations of the Annual Payment for all such Parcels are provided below. The Annual Payment for any Parcel shall not be greater than the Parcel's Assessment.

The Annual Payment for a Parcel of Subdivided Property shall be equal to the Parcel's acreage multiplied by the Annual Payment per Acre of Subdivided Property, calculated from the following formula:

$$A = [(B \div C) \times (D - E)] \div F$$

Where the terms have the following meanings:

- A = the Annual Payment per Acre of Subdivided Property
- B = the sum of the assessed value of all Parcels of Subdivided Property
- C = the sum of the assessed value all Parcels of Undeveloped Property
- D = the Annual Revenue Requirement
- E = the sum of the Annual Payment from all Parcels of Developed Property
- F = the total acreage of all Parcels of Subdivided Property

The Annual Payment for a Parcel of Residual Property shall be equal to the Parcel's acreage multiplied by the Annual Payment per Acre of Residual Property, calculated from the following formula:

$$A = [(B \div C) \times (D - E)] \div F$$

Where the terms have the following meanings:

- A = the Annual Payment per Acre of Residual Property
- B = the sum of the assessed value of all Parcels of Residual Property
- C = the sum of the assessed value all Parcels of Undeveloped Property
- D = the Annual Revenue Requirement
- E = the sum of the Annual Payment from all Parcels of Developed Property
- F = the total acreage of all Parcels of Residual Property

Assessed value shall be calculated based on the most recent information available from the County at the time that the Administrator is calculating the Annual Payment. A Parcel's acreage shall be based on the most recent information available from the County at the time that the Administrator is calculating the Annual Payment.

E. MANNER OF COLLECTION OF ANNUAL ASSESSMENTS

Annual Payment shall be collected in the same manner as regular ad valorem property taxes or in any other manner permitted by law as determined by the County and shall be subject to the same penalties, procedures, sale, and lien priorities in case of delinquencies as are provided for regular real estate property taxes of the County.

F. UPDATING THE ASSESSMENT ROLL

In order to facilitate the collection of the Assessment, the Administrator shall prepare for approval by County Council an update to the Assessment Roll each Assessment Year to reflect (i) the current Parcels in the District, including an updated indication of whether the Parcel is Developed Property

or Undeveloped Property as of the Date of Classification (ii) the total Assessment, including the specific Assessment that has been allocated to each Parcel of Developed Property pursuant to Section C.2., (iii) the total Principal Portion of Assessment, including the specific Principal Portion of Assessment that has been allocated to each Parcel of Developed Property pursuant to Section C.2., (iv) the Annual Installment including the specific Annual Installment that has been assigned to each Parcel of Developed Property, (v) the Annual Payment to be collected from each Parcel for the current Assessment Year, (vi) prepayments of the Assessment as provided for in Section I, and (vii) termination of the Assessment as provided for in Section H, along with other information helpful to the County in the administration of the District.

G. ADMINISTRATIVE REVIEW

Prior to seeking any other remedy, an owner of a Parcel claiming that a calculation error has been made in the update of **Appendices B-1** and **B-2** in any Assessment Year, including the calculation of the Annual Payment, shall send a written notice describing the error to the Administrator not later than thirty (30) calendar days after the date any amount which is alleged to be incorrect is due. The Administrator shall promptly review the notice, and if necessary, meet with the property owner, consider written and oral evidence regarding the alleged error, and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made that requires **Appendices B-1** or **B-2** (including the Annual Payment for a Parcel) to be modified or changed in favor of the property owner, a cash refund may not be made for any amount previously paid by the owner (except for the final Assessment Year during which the Annual Installment shall be collected or if a determination is made that there will otherwise be sufficient funds to meet the Annual Revenue Requirement), but an adjustment shall be made in the amount of the Annual Payment to be paid by the owner in the following Assessment Year. The determination of the Administrator may be appealed to County Council. The decision of County Council in response to an appeal regarding a calculation error relating to the Assessment Roll A shall be conclusive as long as there is a reasonable basis for the determination.

H. TERMINATION OF ASSESSMENTS

Except for any delinquent Annual Payments and related penalties, the Assessment on each Parcel may not be collected after the earlier of (a) if Bonds have been issued, the stated term of the Bonds and (b) the date on which such Assessment is prepaid or paid in full as provided for herein

After the termination of the Assessment with respect to a Parcel, and the collection of any delinquent Annual Payment with respect to such Parcel, including penalties and interest, the County shall provide each owner of a Parcel for which the Assessment has been terminated a recordable document (or provide for the recordation of such document) evidencing the termination of the imposition and collection of the Assessment.

I. VOLUNTARY PREPAYMENT OF THE ASSESSMENT

The Assessment on any Parcel of Developed Property may be fully paid at any time, Assessment reduced to zero, and the obligation to pay the Annual Payment for such Parcel permanently satisfied by payment of an amount equal to: (a) the sum of the following: (i) Principal, (ii) Defeasance, and (iii) Expenses, less (b) the Reserve Fund Credit, where the terms have the following meanings:

“Principal” means a sum equal to the Principal Portion of Assessment for the Parcel.

“Defeasance” means an amount equal to the Annual Payment for such Parcel for the Assessment Year in which such prepayment occurs, if not previously paid, plus, appropriate adjustments as determined by the Administrator for the amount needed to pay interest on the outstanding Bonds to be redeemed less the investment earnings on the prepayment amount until the applicable Bonds can be called and redeemed pursuant to the Bond Indenture.

“Expenses” means the fees and expenses, including Administrative Expenses, related to the prepayment of the Assessment allocable to such Parcel.

“Reserve Fund Credit” means, a credit for the amount, if any, by which the debt service reserve fund for the Bonds will be reduced pursuant to the Bond Indenture as a result of a redemption resulting from the prepayment.

The amounts calculated in the preceding steps shall be paid to the County and shall be distributed by the County to pay costs related to the prepayment according to the Bond Indenture. Upon the payment of such prepayment amount to the County, the obligation to pay the Assessment shall be deemed to be permanently satisfied, the Assessment shall be reduced to zero, the Annual Payment shall not be collected on the Parcel thereafter, and the County shall provide to the owner (or cause to be recorded) a recordable notice of the payment of Assessment within a reasonable period of time of receipt of such prepayment amount.

J. MANDATORY PREPAYMENTS

1. Full prepayment of Assessment for Non-Assessed Property

A Mandatory Full Prepayment of Assessment shall be required on any Parcel that is acquired by an entity that results in the Parcel being classified as Non-Assessed Property, if the Assessment may not be reapportioned to a Parcel of Assessed Property pursuant to the provisions in Section C (3)(c) above. A Mandatory Full Prepayment of the Assessment shall be a full prepayment of the Assessment and shall be calculated as set forth in Section I.

2. Partial prepayment of Assessment for an excessive Assessment per Equivalent Unit

A Mandatory Partial Prepayment of Assessment shall be required for any Parcel for which the Assessment or Principal Portion of Assessment per Equivalent Unit exceeds a maximum amount, if any, as set forth in a True-Up Agreement.

The Mandatory Partial Prepayment of Assessment, which may be a partial prepayment, shall be calculated according to the formula set forth in Section I.1, with the “Principal” component calculated such that the resulting Assessment and Principal Portion of Assessment do not exceed the maximum amount as provided for in a True-Up Agreement.

3. General Provisions Relating to a Mandatory Prepayment Assessment

Each Mandatory Prepayment of Assessment shall be paid to the Trustee and shall be used to pay and redeem, discharge, or defease the Bonds as provided for in a Bond Indenture and to pay the Administrative Expenses associated with the Mandatory Prepayment of Assessment.

Each Mandatory Prepayment of Assessment shall be due immediately upon the event or determination resulting in the Mandatory Prepayment of Assessment and may be collected from proceeds of a sale, condemnation or other form of compensation for the real property or from any other legally available source of funds. In the event a Mandatory Prepayment of Assessment is not paid when due, the Mandatory Prepayment of Assessment may be collected from any and all Parcels created from the Parcel from which the Mandatory Prepayment of Assessment was due.

The Mandatory Prepayment of Assessment shall have the same sale and lien priorities as provided for by law for the Assessment.

Subsequent to a Mandatory Prepayment of Assessment, the Assessment for the Parcel for which the Mandatory Prepayment of Assessment has been paid shall be reduced, the Assessment Roll updated to reflect such prepayment, and the obligation to pay the Annual Payment for such Parcel shall be reduced to the extent the payment is made.

The Mandatory Prepayment of Assessment shall not exceed the amount of the outstanding Bonds plus any amounts owed on the Bonds, including accrued interest and redemption fees.

K. AMENDMENTS

Immaterial amendments may be made to this Rate and Method of Apportionment of Assessment by the County Council without further notice under the Act to owners of Assessed Property located within the District. Immaterial amendments shall be those that (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures as permitted under the Act and for the collection and enforcement of the Assessment and other charges imposed herein so as to assure their efficient collection, and (iii) otherwise improve the ability of the County to

fulfill its obligations to impose and collect Assessment and charges imposed herein, and to make them available for the payment of the Bonds, Administrative Expenses, and other costs of the District. The County Council shall not approve such an amendment unless and until it has been found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds.

Amendments may not be made to this Rate and Method of Apportionment of Assessment pursuant to the procedure described above that would increase the total of the Assessment.

Administrative procedures as authorized herein shall not constitute or require an amendment of this Rate and Method of Apportionment of Assessment.

L. INTERPRETATION OF PROVISIONS

County Council shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Assessment, unless stated otherwise herein or in a Bond Indenture, and as long as there is a rational basis for the determination made by County Council, such determination shall be conclusive.

M. SEVERABILITY

If any section or part of a section of this Rate and Method of Apportionment of Assessment is declared invalid or unenforceable, the validity, force, and effect of any other section or part of a section herein shall not thereby be affected or impaired unless such other section or part of a section herein is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unenforceable.

Assessment Roll
Roselyn Residential Improvement District
Appendix B-1

| Parcel Identification | Real Property Status | Equivalent Units | Assessment | Principal Portion of Assessment | 2022-2023 Annual Installment | 2022-2023 Annual Payment |
|-----------------------|-----------------------|------------------|------------------------|---------------------------------|------------------------------|--------------------------|
| 0044-00-024.01 | Non Assessed Property | 0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 0044-00-024.00 | Residual Property | 1,794.00 | | | \$0.00 | \$0.00 |
| 0045-00-004.01 | Residual Property | 66.00 | | | \$0.00 | \$0.00 |
| Total | | 1,860.00 | \$85,943,373.03 | \$37,783,000.00 | \$0.00 | \$0.00 |

Assessment Roll
Roselyn Residential Improvement District
Appendix B-2

| Assessment Year | Principal Portion of Assessment | Interest Expenses | Administrative Expenses | Annual Installment | Annual Payment |
|-----------------|---------------------------------------|------------------------|----------------------------|------------------------|-------------------|
| 2022 - 2023 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2023 - 2024 | \$0.00 | \$988,680.00 | \$50,000.00 | \$1,038,680.00 | TBD |
| 2024 - 2025 | \$0.00 | \$988,680.00 | \$50,000.00 | \$1,038,680.00 | TBD |
| 2025 - 2026 | \$0.00 | \$988,680.00 | \$50,500.00 | \$1,039,180.00 | TBD |
| 2026 - 2027 | \$259,000.00 | \$2,266,980.00 | \$51,005.00 | \$2,576,985.00 | TBD |
| 2027 - 2028 | \$274,000.00 | \$2,251,440.00 | \$51,515.05 | \$2,576,955.05 | TBD |
| 2028 - 2029 | \$291,000.00 | \$2,235,000.00 | \$52,030.20 | \$2,578,030.20 | TBD |
| 2029 - 2030 | \$642,000.00 | \$2,217,540.00 | \$52,550.50 | \$2,912,090.50 | TBD |
| 2030 - 2031 | \$681,000.00 | \$2,179,020.00 | \$53,076.01 | \$2,913,096.01 | TBD |
| 2031 - 2032 | \$722,000.00 | \$2,138,160.00 | \$53,606.77 | \$2,913,766.77 | TBD |
| 2032 - 2033 | \$765,000.00 | \$2,094,840.00 | \$54,142.84 | \$2,913,982.84 | TBD |
| 2033 - 2034 | \$811,000.00 | \$2,048,940.00 | \$54,684.26 | \$2,914,624.26 | TBD |
| 2034 - 2035 | \$860,000.00 | \$2,000,280.00 | \$55,231.11 | \$2,915,511.11 | TBD |
| 2035 - 2036 | \$911,000.00 | \$1,948,680.00 | \$55,783.42 | \$2,915,463.42 | TBD |
| 2036 - 2037 | \$966,000.00 | \$1,894,020.00 | \$56,341.25 | \$2,916,361.25 | TBD |
| 2037 - 2038 | \$1,024,000.00 | \$1,836,060.00 | \$56,904.66 | \$2,916,964.66 | TBD |
| 2038 - 2039 | \$1,085,000.00 | \$1,774,620.00 | \$57,473.71 | \$2,917,093.71 | TBD |
| 2039 - 2040 | \$1,151,000.00 | \$1,709,520.00 | \$58,048.45 | \$2,918,568.45 | TBD |
| 2040 - 2041 | \$1,220,000.00 | \$1,640,460.00 | \$58,628.93 | \$2,919,088.93 | TBD |
| 2041 - 2042 | \$1,293,000.00 | \$1,567,260.00 | \$59,215.22 | \$2,919,475.22 | TBD |
| 2042 - 2043 | \$1,370,000.00 | \$1,489,680.00 | \$59,807.37 | \$2,919,487.37 | TBD |
| 2043 - 2044 | \$1,453,000.00 | \$1,407,480.00 | \$60,405.45 | \$2,920,885.45 | TBD |
| 2044 - 2045 | \$1,539,000.00 | \$1,320,300.00 | \$61,009.50 | \$2,920,309.50 | TBD |
| 2045 - 2046 | \$1,633,000.00 | \$1,227,960.00 | \$61,619.60 | \$2,922,579.60 | TBD |
| 2046 - 2047 | \$1,731,000.00 | \$1,129,980.00 | \$62,235.79 | \$2,923,215.79 | TBD |
| 2047 - 2048 | \$1,834,000.00 | \$1,026,120.00 | \$62,858.15 | \$2,922,978.15 | TBD |
| 2048 - 2049 | \$1,944,000.00 | \$916,080.00 | \$63,486.73 | \$2,923,566.73 | TBD |
| 2049 - 2050 | \$2,061,000.00 | \$799,440.00 | \$64,121.60 | \$2,924,561.60 | TBD |
| 2050 - 2051 | \$2,184,000.00 | \$675,780.00 | \$64,762.82 | \$2,924,542.82 | TBD |
| 2051 - 2052 | \$2,315,000.00 | \$544,740.00 | \$65,410.44 | \$2,925,150.44 | TBD |
| 2052 - 2053 | \$2,453,000.00 | \$405,840.00 | \$66,064.55 | \$2,924,904.55 | TBD |
| 2053 - 2054 | \$1,354,000.00 | \$258,660.00 | \$66,064.55 | \$1,678,724.55 | TBD |
| 2054 - 2055 | \$1,435,000.00 | \$177,420.00 | \$66,064.55 | \$1,678,484.55 | TBD |
| 2055 - 2056 | \$1,522,000.00 | \$91,320.00 | \$66,064.55 | \$1,679,384.55 | TBD |
| | \$37,783,000.00 | \$46,239,660.00 | \$1,920,713.03 | \$85,943,373.03 | TBD |

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

ASSESSMENT BILLING FORECAST REPORT

[THIS PAGE INTENTIONALLY LEFT BLANK]

**ROSELYN RESIDENTIAL
IMPROVEMENT DISTRICT
LANCASTER COUNTY,
SOUTH CAROLINA**

**ASSESSMENT REVENUE BONDS, SERIES 2025
ASSESSMENT REVENUE REPORT**

JULY 22, 2025

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

**ROSELYN RESIDENTIAL
IMPROVEMENT DISTRICT
LANCASTER COUNTY,
SOUTH CAROLINA**

**ASSESSMENT REVENUE BONDS
ASSESSMENT REVENUE REPORT**

TABLE OF CONTENTS

| | |
|---|-----------|
| I. SUMMARY OF RESULTS | 1 |
| PURPOSE OF STUDY | 1 |
| THE DEVELOPMENT..... | 1 |
| ASSESSMENT REVENUE PROJECTION RESULTS | 2 |
| II. ASSESSMENTS METHODOLOGY | 4 |
| INTRODUCTION | 4 |
| LEVY OF ASSESSMENTS | 4 |
| PREPAYMENT OF ASSESSMENTS | 4 |
| MANDATORY PREPAYMENT OF ASSESSMENTS | 6 |
| REDUCTION IN THE ASSESSMENTS | 6 |
| III. ASSESSMENT REVENUE PROJECTIONS..... | 7 |
| ASSESSMENT REVENUE PROJECTION RESULTS | 7 |
| IV. ASSUMPTIONS & LIMITATIONS..... | 9 |
| EXHIBIT A | 11 |



I. SUMMARY OF RESULTS¹

PURPOSE OF STUDY

The purpose of this Assessment Revenue Bonds Revenue Report is to provide estimates of future Assessment revenues from the Roselyn Residential Improvement District (the “District”) in Lancaster County, South Carolina (the “County” or the “Issuer”). These revenues will be available for the payment of debt service on the Assessment bonds to be issued by the County.² The Assessment revenues will be pledged to secure debt service on the Issuer’s proposed \$15,000,000 Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the “2025 Bonds”) and the associated administrative expenses related to the District.³ The 2025 Bonds will provide funds to Lennar Carolinas, LLC (the “Developer”), the master developer of the real property within the District, to reimburse expenditures on Public Improvements.⁴ Additional information on the 2025 Bonds and the uses of the proceeds thereof can be found in the Preliminary Limited Offering Memorandum (the “PLOM”) to which this report is attached.

THE DEVELOPMENT

The Roselyn development (the “Development”) is to be completed by the Developer. As more fully described in a subsequent section of this report, the Development is a residential development expected to include an estimate of 1,860 single-family detached units at completion of the Development. The Development is located on approximately 1,395 acres within the County.

The Developer commenced with land development within the Development in March 2020, which is expected to occur in phases, with completion expected by December 2032. Additional information on land development and infrastructure improvements can be found in the PLOM. The proposed Development is shown in **TABLE I**.

The residential units mentioned in **TABLE I** are defined and outlined in the section of the PLOM titled “THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS – The Development.”

¹ Capitalized terms not defined herein have the meaning as defined in the Preliminary Limited Offering Memorandum (the “PLOM”), the Master Trust Indenture and First Supplemental Trust Indenture, each dated as of August 1, 2025 (together, the “Indenture”) between the County and U.S. Bank Trust Company, National Association, as Trustee, or the Roselyn Residential Improvement District Rate and Method of Apportionment of Assessment (the “RMA”), attached as an exhibit to the Assessment Roll attached as Appendix A to the PLOM, except as noted.

² The 2025 Bonds are being issued by the County pursuant to the South Carolina Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976 (the “Act”).

³ The 2025 Bonds have been authorized pursuant to the County’s approval of such in Ordinance No. 2022-1825 enacted on November 14, 2022).

⁴ See the PLOM sections entitled “THE SERIES 2025 PROJECT AND THE PROJECT” and “THE DEVELOPMENT, THE DEVELOPER AND THE CURRENT LANDOWNERS” for further explanation.

TABLE I
Estimated Total Development within the District

| Development Use | |
|--------------------------------|--------------|
| Residential | Units |
| Single family detached | 1,860 |
| Total residential units | 1,860 |

ASSESSMENT REVENUE PROJECTION RESULTS

Two scenarios of projected Assessment revenues have been prepared, both of which are attached hereto as **APPENDIX A** and **APPENDIX B**. Both scenarios assume the Development is completed based on the Developer’s projected absorption of 1,860 single family detached residential units. This report provides estimated Assessment revenues under the below-described assumptions.

Scenario A

- Bond proceeds assume a not-to-exceed of \$15,000,000 gross proceeds;
- Maximum Annual Assessments are \$1,550 per unit but a lesser amount may be collected to an amount to pay debt service and associated administrative expenses as further described in Section II-A;
- Assessments are collected first from Developed Property and then from Undeveloped Property⁵.

Scenario B (differs from Scenario A as follows)

- Total net bond proceeds from the previously contemplated 2025 Bonds and one additional series of bonds based on a not-to-exceed amount of \$31,000,000 in net proceeds from both series of bonds⁶;
 - Series 2025 and one additional series of bonds (together, the “Bonds”) are assumed to be issued to pay for development costs associated with the Development.

The two scenarios have **not** been prepared to, nor do they represent, the long-term, projected outcome for the District.

In both scenarios, the projected Assessment revenues are compared to the estimated debt service on the 2025 Bonds (as provided by FMSbonds) and the estimated administrative expenses of the District. Scenario B compares the projected Assessment revenues to the estimated debt service on both series

⁵ According to the RMA, Developed Property means a Parcel of Assessed Property for which a building permit has been issued which allows the construction of a structure intended for occupancy and Undeveloped Property means all Parcels of Assessed Property other than Developed Property. Refer to the RMA for additional defined terms.

⁶ Pursuant to Ordinance No. 2020-1691 enacted on December 14, 2020, the County established the District and approved the Improvement Plan; such Ordinance also limits the Improvements which can be funded from the proceeds of bonds in an amount not to exceed \$31,000,000 although the County has only authorized the 2025 Bonds.

of Bonds (as estimated by FMSbonds). In both scenarios, the Assessment revenue resulting from Developed Property and the Assessment revenue resulting from Undeveloped Property (as defined in the RMA) is projected.

Both scenarios assume the delivery of additional infrastructure that is necessary for the buildout of the residential units assumed in each scenario. MuniCap has not undertaken an independent evaluation of the viability of the delivery of the required infrastructure.

As noted above, this report provides estimates based on the development program and projected absorption as provided by the Developer. MuniCap has not undertaken an independent evaluation of the general market viability of the Developer's proposed development program or the reasonableness of the Developer's estimated pace of absorption. MuniCap does not opine on the Developer's ability to meet the estimated absorption. A delay in delivery or curtailing of the development program would materially reduce the estimated revenues from Developed Property available for debt service on the Bonds.

EXHIBIT A, at the end of this report, provides a graphic representation of the projected annual Assessment revenues from Developed Property and debt service coverage in Scenario A. **CHART A**, included with **EXHIBIT A**, shows the projected Assessment revenue, net annual debt service, and debt service coverage on the 2025 Bonds. Scenario A also shows that Assessments are collected from Undeveloped Property during bond years 2025 through 2029 to cover debt service.

EXHIBIT B, at the end of this report, provides a graphic representation of the projected annual Assessment revenues from Developed Property and debt service coverage in Scenario B. **CHART B**, included with **EXHIBIT B**, shows the projected Assessment revenue, net annual debt service, and debt service coverage on both series of the Bonds. Scenario B also shows that Assessments are collected from Undeveloped Property during bond years 2025 through 2033 to cover debt service.

II. ASSESSMENTS METHODOLOGY

INTRODUCTION

The following descriptions of Assessments, as well as the attached appendices (**APPENDIX A** and **APPENDIX B**), both of which include projections of Assessment revenues, are qualified by reference to the RMA. The RMA should be read in its entirety for a complete understanding of the Assessments and the Assessment methodology.

Additional information on Assessments can also be found in the PLOM.

LEVY OF ASSESSMENTS

By ordinance enacted on December 14, 2020 (No. 2020-1691), as amended on November 14, 2022 (No. 2022-1829) (the “District Ordinance”), the Council designated the District as a residential improvement district under the Act, and imposed Assessments to provide for the capital costs of certain Public Improvements within the District and the administrative expenses of the District. In connection with the designation of the District as an improvement district, Council approved the: (i) the Assessment Roll; (ii) a Rate and Method of Apportionment of Assessment, which is an attachment to the Assessment Roll; and (iii) the report on the reasonable basis of Assessments. Assessments are governed under the Act by the District Ordinance and the Assessment Roll, including the RMA. The following describes the terms and the Assessments.

Assessments are allocated to parcels of Developed Property in the District equally per residential unit. Assessments are not fixed on Undeveloped Property until a parcel is classified as Developed Property. (Undeveloped parcels are required to pay Assessments; however, the amount of the payment varies as explained herein and is not fixed.) The Assessment allocated to a parcel may be adjusted as a result of a subdivision of a parcel. In the event of a subdivision of a Parcel of Developed Property, the Assessment for the Parcel prior to subdivision shall be allocated to each Parcel in proportion to the Equivalent Units of each Parcel and the Assessment for the undivided Parcel prior to subdivision.

If not prepaid or reduced, the Assessments are paid over the term of the bonds as the Annual Installment. The Annual Installment for each parcel is projected to be paid over thirty years. The amount of Annual Installment to be collected each year from each Parcel is the Annual Payment.⁷ The following describes these terms and the Assessments to be levied annually.

A. ANNUAL INSTALLMENT

An owner has the right to prepay its Assessment at any time. If not prepaid, the Assessment is paid annually pursuant to a schedule as determined pursuant to the RMA. These scheduled payments are

⁷ As stated in the RMA, Parcel means a lot or parcel within the District with a tax map identification number assigned or to be assigned for real property tax collection purposes or as otherwise determined by the County.

defined as the Annual Installments. The Maximum Annual Installment per equivalent unit is \$1,550 per year.

B. ANNUAL PAYMENT

The Assessment revenues required to pay debt service and administrative expenses each year may be less than the total of the Annual Installments. The RMA allows the Assessments to be collected each year to be less than the Annual Installment if the Annual Revenue Requirement is less than the total of the Annual Installments.

The Annual Revenue Requirement is defined to mean:

. . . for any Assessment Year, the sum of the following: (1) regularly scheduled debt service on the Bonds; (2) periodic costs associated with such Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; (3) Administrative Expenses, including any contingencies; less (a) any other funds available pursuant to the Bond Indenture to apply to the Annual Revenue Requirement, such as capitalized interest and interest earnings on any account balances and (b) any other funds available to the District that may be applied to the Annual Revenue Requirement.

The portion of the Annual Installment to be collected each year for each Parcel of Assessed Property is the Annual Payment for a parcel.

For purposes of calculating the Annual Payment, parcels are categorized as Developed Property or Undeveloped Property. Developed Property consists of parcels for which a building permit has been issued as of the Date of Classification for the year (June 30). Any parcels that have been assessed and that are not Developed Property are Undeveloped Property.

The Annual Payment on Developed Property is the lesser of the Maximum Annual Installment per unit (\$1,550) and the amount per unit required to meet the Annual Revenue Requirement. The calculation of the Annual Payment for Developed Property does not include capitalized interest in the calculation of the Annual Revenue Requirement.

If the Annual Payments on Developed Property are not sufficient to meet the Annual Revenue Requirement, Annual Payments are collected from Undeveloped Property to make up the difference. There are two classes of Undeveloped Property: Subdivided Property and Residual Property. Subdivided Property is parcels of Undeveloped Property (i.e., no building permit has been issued) for which a plat has been recorded. Residual Property is parcels of Undeveloped Property other than Subdivided Property.

The Annual Revenue Requirement not paid by Developed Property is allocated to Subdivided Property and Residual Property on the basis of the assessed values of the property in each class. The Annual Revenue Requirement allocated to each class of Undeveloped Property is allocated to each parcel within each class on the basis of the acreage of each parcel.

PREPAYMENT OF ASSESSMENTS

Property owners have the option to prepay Assessments on any Parcel in the District. In the event the Assessments are prepaid in full, the Assessment is reduced to zero and the obligation to pay the Annual Payment for the Parcel is permanently satisfied.

A prepayment of Assessment is equal to the sum of: (i) Principal, (ii) Defeasance, and (iii) Expenses, less the Reserve Fund Credit, where the terms have the following meanings.

PRINCIPAL

The Principal is the sum equal to the Principal Portion of Assessments for a Parcel. (The Principal Portion of the Assessments is equal to the Bonds allocated to the parcels on a per unit basis.)

DEFEASANCE

Defeasance is an amount equal to the Annual Payment for a Parcel in the Assessment Year the prepayment occurs, plus amounts needed to pay interest on the Bonds to be redeemed less the investment earnings on the prepayment amount.

EXPENSES

The Expenses are the fees and expenses related to the prepayment of Assessments.

RESERVE FUND CREDIT

The Reserve Fund Credit is a credit for the amount the debt service reserve fund will be reduced and set for in the Indenture.

MANDATORY PREPAYMENT OF ASSESSMENTS

The Mandatory Prepayment of Assessments will be required in the event a Parcel is acquired resulting in the Parcel being classified as Non-Assessed Property and the Assessment cannot be reapportioned to a Parcel of Assessed Property using the methodology provided for in the RMA.

REDUCTION IN THE ASSESSMENTS

A reduction in Assessment can also occur in the event the County Council determines that the total actual costs to be paid by the District are less than the total amount of Assessments. The Assessments would be reduced to the amount of cost incurred. A reduction in the Assessments may not be less than the remaining principal and interest on the Bonds outstanding and to be issued, through maturity, plus estimated Administrative Expenses.

III. ASSESSMENT REVENUE PROJECTIONS

ASSESSMENT REVENUE PROJECTION RESULTS

Two scenarios of projected Assessment revenues have been prepared, which are attached to this report as **APPENDIX A** and **APPENDIX B**. As further explained below, each scenario includes the same projected absorption of 1,860 single family detached residential units as provided by the Developer. The scenarios have been prepared to estimate the Assessment revenues under two distinct, assumed financing scenarios. The two scenarios have **not** been prepared to, nor do they, represent a long-term, projected outcome for the District.

- **Scenario A** assumes a single bond issuance scheduled for 2025 (e.g., the 2025 Bonds), featuring a fixed interest rate and a traditional amortization schedule. This scenario limits the 2025 Bonds issued to the \$15 million gross proceeds limit included in Ordinance No. 2022-1825 enacted on November 13, 2022, which authorized the issuance of the 2025 Bonds.
- **Scenario B** assumes a phased bond issuance strategy involving two separate series to be issued in 2025 and 2027. This scenario assumes the 2025 Bonds are issued as contemplated in Scenario A and a subsequent series of Bonds is issued in 2027 in an amount which, in the aggregate, does not exceed the \$31 million net proceeds limit included in the District Ordinance enacted in 2020.

The projection of Assessment revenues utilizes the Assessment billing methodology established in the RMA. As noted in **SECTION II**, Assessments are collected first from Developed Property, defined as Parcels for which a building permit has been issued. The Maximum Annual Installment per Equivalent Unit is \$1,550. If additional Assessment revenues are required, these are collected from Undeveloped Property. A description of each scenario is below. **TABLE II** also shows the Annual Payments for the year of stabilization and the first year when Assessments on Developed Property are sufficient to cover debt service.

Scenario A

As shown in **EXHIBIT A** and **CHART A**, and detailed in **APPENDIX A**, Scenario A projects Assessment revenues based on a single bond issuance in 2025. Revenues are projected through 2054, which is the final year of maturity for the 2025 Bonds. The bond structure includes:

- A fixed 6.25% interest rate
- Three months of capitalized interest
- One year and three months of interest-only payments
- 29 years of amortization

EXHIBIT A and **CHART A** and details in **APPENDIX A** show that Assessment revenues from Developed Property will not fully meet annual debt service obligations until 2030, requiring Assessments to be collected from Undeveloped Property in a total estimated amount of \$2.2 million from years 2026 to 2029. Beginning in 2030, projected Assessment revenues from Developed Property

are sufficient to pay debt service in Scenario A. **TABLE II** shows that after assessments on Developed Property are sufficient to meet debt service once there are 897 units of Developed Property.

Scenario B

As shown in **EXHIBIT B** and **CHART B** and detailed in **APPENDIX B**, Scenario B projects Assessment revenues based on the same 2025 Bonds projected in Scenario A and one additional series of Bonds, issued in 2027.

The terms for the 2025 Bonds projected in Scenario A, listed above, are repeated for the 2025 Bonds projected in Scenario B. The bond structure for the bonds issued in 2027 include:

- A fixed 6.25% interest rate
- 3 months of capitalized interest
- 1 year and three months of interest-only payments
- 29 years of amortization

EXHIBIT B and **CHART B** and details in **APPENDIX B** show that Assessment revenues from Developed Property will not fully meet annual debt service obligations until 2034, requiring Assessments to be collected from Undeveloped Property in a total estimated amount of \$7.6 million (based on the assumed debt service for the series of Bonds issued in 2027) from years 2026 to 2033. Beginning in 2034, projected Assessment revenues from Developed Property are sufficient to pay debt service in Scenario B. **TABLE II** shows that after assessments on Developed Property are sufficient to meet debt service once there are 1,761 units of Developed Property.

TABLE II
Revenue Milestones for Scenarios A and B

| | Scenario A ^(a) | Scenario B ^(b) |
|---|---------------------------|---------------------------|
| Build-out: | | |
| Year of build-out | 2034 | 2034 |
| Annual Payment on Developed Property | \$654 | \$1,459 |
| Annual Payment | \$1,151,635 | \$2,568,903 |
| Developed units required to cover debt service: | | |
| Year Developed Property projected to cover debt service | 2030 | 2034 |
| Number of developed units | 742 | 1,657 |
| Annual Payment | \$1,149,561 | \$2,568,903 |

^(a)See Appendix A-5.

^(b)See Appendix B-5.

IV. ASSUMPTIONS & LIMITATIONS

For the inputs used in developing the projections shown in the appendices, MuniCap, Inc. relied on a variety of sources, which are noted in the accompanying schedules. MuniCap, Inc. believes the information to be accurate or reasonable, but did not attempt to verify the information. The actual performance of the Development, including absorption, interest rates, and development components, is likely to be different than assumed. Differences in these and other factors could change the results of the projections, including the Assessment revenues and estimated debt service. The conclusions in this report are not intended to be precise results, but rather, indications of the projected Assessment revenues resulting from specified assumptions.

This report provides estimates based on the development program and projected absorption as provided by the Developer. MuniCap has not undertaken an independent evaluation of the general market viability of the Developer's proposed development program or the reasonableness of the Developer's estimated pace of absorption. MuniCap does not opine on the Developer's ability to meet the estimated absorption. A delay in delivery or curtailing of the development program would materially reduce the estimated revenues from Developed Property available for debt service on the 2025 Bonds.

As noted above, Scenario A and Scenario B assume the delivery of all infrastructure that is necessary for full development. MuniCap has not undertaken an independent evaluation of the viability of the delivery of the required infrastructure.

This report assumes that the annual billings of Assessments will be collected in a timely fashion. This report does not include an analysis to determine if the owners of property within the District will be able or willing to pay the annual billings of Assessments or if the County will be able to collect delinquent billings of Assessments. The actual delinquencies in the payment of Assessments will likely be different than assumed in this report. A significant increase in the failure to pay the annual billings of Assessments would materially affect the revenues available for debt service on the 2025 Bonds.

The PLOM includes additional information on the Development, as well as information regarding the District, the collection of Assessments and other matters relevant to this report, including risk factors related to the 2025 Bonds. This report should be reviewed in conjunction with the PLOM and all relevant information therein applies to this report.

The RMA include additional information on Assessments. This report should be reviewed in conjunction with the RMA and all relevant information therein applies to this report.

Numerous sources of information were relied on in the preparation of this report. These sources are believed to be reliable; however, no effort has been made to verify information obtained from other sources.

In summary, this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions will inevitably not materialize, and unanticipated events and circumstances will occur. As a result, actual results will vary from the estimates in this report and the variations may be material.

Other assumptions made in the preparation of this report and limiting conditions to this report are as follows:

1. There are no zoning, building, safety, environmental or other federal, state, or local laws, regulations, or codes that would prohibit or impair the development, marketing or operation of the subject properties in the manner contemplated in this report, and the subject properties will be developed, marketed and operated in compliance with all applicable laws, regulations, and codes.
2. No material changes will occur in (a) any federal, state, or local law, regulation or code affecting the subject properties or (b) any federal, state, or local grant, financing, or other program to be utilized in connection with the subject properties.
3. The local, national, and international economies will not deteriorate and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject properties will be served by adequate transportation, utilities, and governmental facilities.
5. The subject properties will not be subjected to any war, energy crises, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject properties will be developed, marketed, and operated in a highly professional manner.
7. There are no existing, impending or threatened litigation that could hinder the development, marketing, or operation of the subject properties.
8. MuniCap, Inc. does not have expertise in and has no responsibility for legal, environmental, architectural, geologic, engineering, and other matters related to the development and operation of the subject properties.

EXHIBIT A

Exhibit A Projected Assessment Revenues and Debt Service Coverage – Scenario A

| Bond Year Ending | Developed Property Units ^(a) | Maximum Annual Installment per Unit ^(b) | Estimated Annual Payment Per Unit ^(c) | Developed Property Annual Assessments | Net Annual Debt Service & Admin Exp. ^(d) | Annual Surplus / Deficit | Undeveloped Property Annual Assessments ^(e) |
|------------------|---|--|--|---------------------------------------|---|--------------------------|--|
| 1-Dec-25 | 0 | \$1,550 | \$1,550 | \$0 | \$15,000 | (\$15,000) | \$15,000 |
| 1-Dec-26 | 37 | \$1,550 | \$1,550 | \$57,350 | \$962,500 | (\$905,150) | \$905,150 |
| 1-Dec-27 | 257 | \$1,550 | \$1,550 | \$398,350 | \$1,147,063 | (\$748,713) | \$748,713 |
| 1-Dec-28 | 465 | \$1,550 | \$1,550 | \$720,750 | \$1,145,385 | (\$424,635) | \$424,635 |
| 1-Dec-29 | 681 | \$1,550 | \$1,550 | \$1,055,550 | \$1,147,936 | (\$92,386) | \$92,386 |
| 1-Dec-30 | 897 | \$1,550 | \$1,282 | \$1,149,561 | \$1,149,561 | \$0 | \$0 |
| 1-Dec-31 | 1,113 | \$1,550 | \$1,033 | \$1,150,258 | \$1,150,258 | \$0 | \$0 |
| 1-Dec-32 | 1,329 | \$1,550 | \$865 | \$1,150,029 | \$1,150,029 | \$0 | \$0 |
| 1-Dec-33 | 1,545 | \$1,550 | \$744 | \$1,148,873 | \$1,148,873 | \$0 | \$0 |
| 1-Dec-34 | 1,761 | \$1,550 | \$654 | \$1,151,635 | \$1,151,635 | \$0 | \$0 |
| 1-Dec-35 | 1,860 | \$1,550 | \$617 | \$1,148,315 | \$1,148,315 | \$0 | \$0 |
| 1-Dec-36 | 1,860 | \$1,550 | \$618 | \$1,148,912 | \$1,148,912 | \$0 | \$0 |
| 1-Dec-37 | 1,860 | \$1,550 | \$620 | \$1,153,116 | \$1,153,116 | \$0 | \$0 |
| 1-Dec-38 | 1,860 | \$1,550 | \$619 | \$1,150,925 | \$1,150,925 | \$0 | \$0 |
| 1-Dec-39 | 1,860 | \$1,550 | \$620 | \$1,152,340 | \$1,152,340 | \$0 | \$0 |
| 1-Dec-40 | 1,860 | \$1,550 | \$619 | \$1,152,206 | \$1,152,206 | \$0 | \$0 |
| 1-Dec-41 | 1,860 | \$1,550 | \$619 | \$1,150,522 | \$1,150,522 | \$0 | \$0 |
| 1-Dec-42 | 1,860 | \$1,550 | \$619 | \$1,152,132 | \$1,152,132 | \$0 | \$0 |
| 1-Dec-43 | 1,860 | \$1,550 | \$619 | \$1,151,881 | \$1,151,881 | \$0 | \$0 |
| 1-Dec-44 | 1,860 | \$1,550 | \$621 | \$1,154,612 | \$1,154,612 | \$0 | \$0 |
| 1-Dec-45 | 1,860 | \$1,550 | \$621 | \$1,155,170 | \$1,155,170 | \$0 | \$0 |
| 1-Dec-46 | 1,860 | \$1,550 | \$623 | \$1,158,399 | \$1,158,399 | \$0 | \$0 |
| 1-Dec-47 | 1,860 | \$1,550 | \$623 | \$1,159,142 | \$1,159,142 | \$0 | \$0 |
| 1-Dec-48 | 1,860 | \$1,550 | \$622 | \$1,157,399 | \$1,157,399 | \$0 | \$0 |
| 1-Dec-49 | 1,860 | \$1,550 | \$623 | \$1,158,016 | \$1,158,016 | \$0 | \$0 |
| 1-Dec-50 | 1,860 | \$1,550 | \$624 | \$1,160,680 | \$1,160,680 | \$0 | \$0 |
| 1-Dec-51 | 1,860 | \$1,550 | \$624 | \$1,160,234 | \$1,160,234 | \$0 | \$0 |
| 1-Dec-52 | 1,860 | \$1,550 | \$624 | \$1,161,523 | \$1,161,523 | \$0 | \$0 |
| 1-Dec-53 | 1,860 | \$1,550 | \$626 | \$1,164,235 | \$1,164,235 | \$0 | \$0 |
| 1-Dec-54 | 1,860 | \$1,550 | \$625 | \$1,163,213 | \$1,163,213 | \$0 | \$0 |
| 1-Dec-55 | 1,860 | \$1,550 | \$324 | \$601,974 | \$601,974 | \$0 | \$0 |
| Total | | | | \$31,697,302 | \$33,883,186 | (\$2,185,884) | \$2,185,884 |

^(a)See Appendix A-2. Represents the estimated Developed Property, as defined in the RMA.

^(b)Represents the Maximum Annual Installment per unit as defined in the RMA.

^(c)According to the RMA, the Annual Payment per unit equals the lesser of the Maximum Annual Installment per unit and the Principal Portion of Assessment for each Parcel multiplied by the Annual Payment rate for Developed Property.

^(d)See Appendix A-3.

^(e)Represents the projected carrying costs from Undeveloped Property; will depend on the use of prior year assessment revenue surpluses.

Chart A

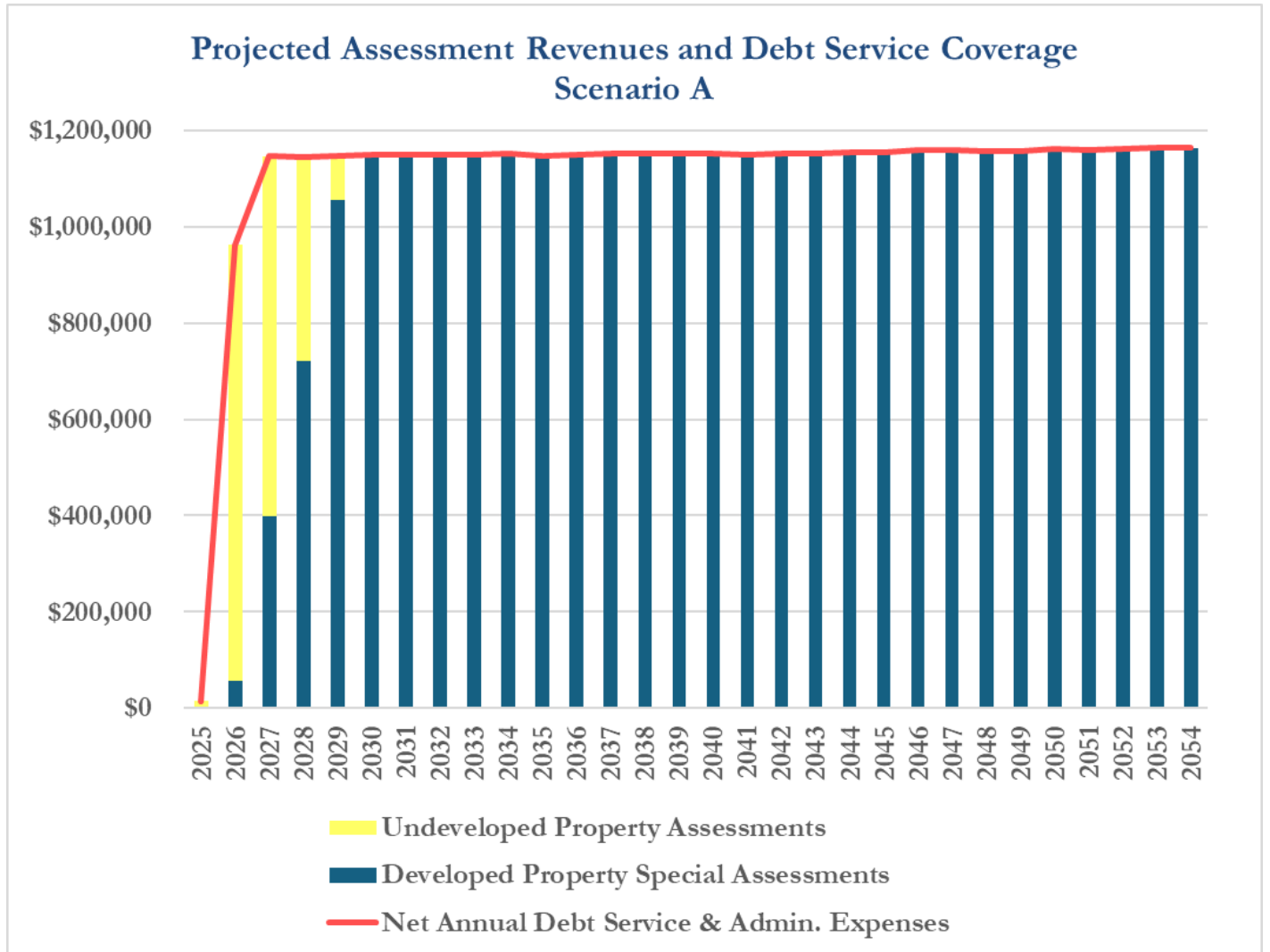


Exhibit B
Projected Assessment Revenues and Debt Service Coverage – Scenario B

| Bond Year Ending | Developed Property Units ^(a) | Estimated Annual Payment per Unit ^(b) | Developed Property Annual Assessments | Net Annual Debt Service & Admin. Expenses ^(c) | Annual Surplus / Deficit | Undeveloped Property Annual Assessments ^(d) |
|------------------|---|--|---------------------------------------|--|--------------------------|--|
| 1-Dec-25 | 0 | \$1,550 | \$0 | \$15,000 | (\$15,000) | \$15,000 |
| 1-Dec-26 | 37 | \$1,550 | \$57,350 | \$962,500 | (\$905,150) | \$905,150 |
| 1-Dec-27 | 257 | \$1,550 | \$398,350 | \$1,157,063 | (\$758,713) | \$758,713 |
| 1-Dec-28 | 465 | \$1,550 | \$720,750 | \$2,330,585 | (\$1,609,835) | \$1,609,835 |
| 1-Dec-29 | 681 | \$1,550 | \$1,055,550 | \$2,560,997 | (\$1,505,447) | \$1,505,447 |
| 1-Dec-30 | 897 | \$1,550 | \$1,390,350 | \$2,562,673 | (\$1,172,323) | \$1,172,323 |
| 1-Dec-31 | 1,113 | \$1,550 | \$1,725,150 | \$2,567,333 | (\$842,183) | \$842,183 |
| 1-Dec-32 | 1,329 | \$1,550 | \$2,059,950 | \$2,564,976 | (\$505,026) | \$505,026 |
| 1-Dec-33 | 1,545 | \$1,550 | \$2,394,750 | \$2,565,604 | (\$170,854) | \$170,854 |
| 1-Dec-34 | 1,761 | \$1,459 | \$2,568,903 | \$2,568,903 | \$0 | \$0 |
| 1-Dec-35 | 1,860 | \$1,379 | \$2,564,875 | \$2,564,875 | \$0 | \$0 |
| 1-Dec-36 | 1,860 | \$1,378 | \$2,563,520 | \$2,563,520 | \$0 | \$0 |
| 1-Dec-37 | 1,860 | \$1,381 | \$2,569,368 | \$2,569,368 | \$0 | \$0 |
| 1-Dec-38 | 1,860 | \$1,380 | \$2,567,265 | \$2,567,265 | \$0 | \$0 |
| 1-Dec-39 | 1,860 | \$1,380 | \$2,567,210 | \$2,567,210 | \$0 | \$0 |
| 1-Dec-40 | 1,860 | \$1,381 | \$2,568,892 | \$2,568,892 | \$0 | \$0 |
| 1-Dec-41 | 1,860 | \$1,380 | \$2,567,154 | \$2,567,154 | \$0 | \$0 |
| 1-Dec-42 | 1,860 | \$1,383 | \$2,571,685 | \$2,571,685 | \$0 | \$0 |
| 1-Dec-43 | 1,860 | \$1,380 | \$2,567,328 | \$2,567,328 | \$0 | \$0 |
| 1-Dec-44 | 1,860 | \$1,384 | \$2,573,771 | \$2,573,771 | \$0 | \$0 |
| 1-Dec-45 | 1,860 | \$1,385 | \$2,575,546 | \$2,575,546 | \$0 | \$0 |
| 1-Dec-46 | 1,860 | \$1,386 | \$2,577,498 | \$2,577,498 | \$0 | \$0 |
| 1-Dec-47 | 1,860 | \$1,387 | \$2,579,314 | \$2,579,314 | \$0 | \$0 |
| 1-Dec-48 | 1,860 | \$1,385 | \$2,575,837 | \$2,575,837 | \$0 | \$0 |
| 1-Dec-49 | 1,860 | \$1,385 | \$2,576,757 | \$2,576,757 | \$0 | \$0 |
| 1-Dec-50 | 1,860 | \$1,388 | \$2,581,449 | \$2,581,449 | \$0 | \$0 |
| 1-Dec-51 | 1,860 | \$1,387 | \$2,579,600 | \$2,579,600 | \$0 | \$0 |
| 1-Dec-52 | 1,860 | \$1,388 | \$2,580,898 | \$2,580,898 | \$0 | \$0 |
| 1-Dec-53 | 1,860 | \$1,390 | \$2,584,719 | \$2,584,719 | \$0 | \$0 |
| 1-Dec-54 | 1,860 | \$1,390 | \$2,585,594 | \$2,585,594 | \$0 | \$0 |
| 1-Dec-55 | 1,860 | \$1,087 | \$2,021,884 | \$2,021,884 | \$0 | \$0 |
| 1-Dec-56 | 1,860 | \$765 | \$1,422,758 | \$1,422,758 | \$0 | \$0 |
| 1-Dec-57 | 1,860 | \$386 | \$717,489 | \$717,489 | \$0 | \$0 |
| Total | | | \$68,011,514 | \$75,496,043 | (\$7,484,530) | \$7,484,530 |

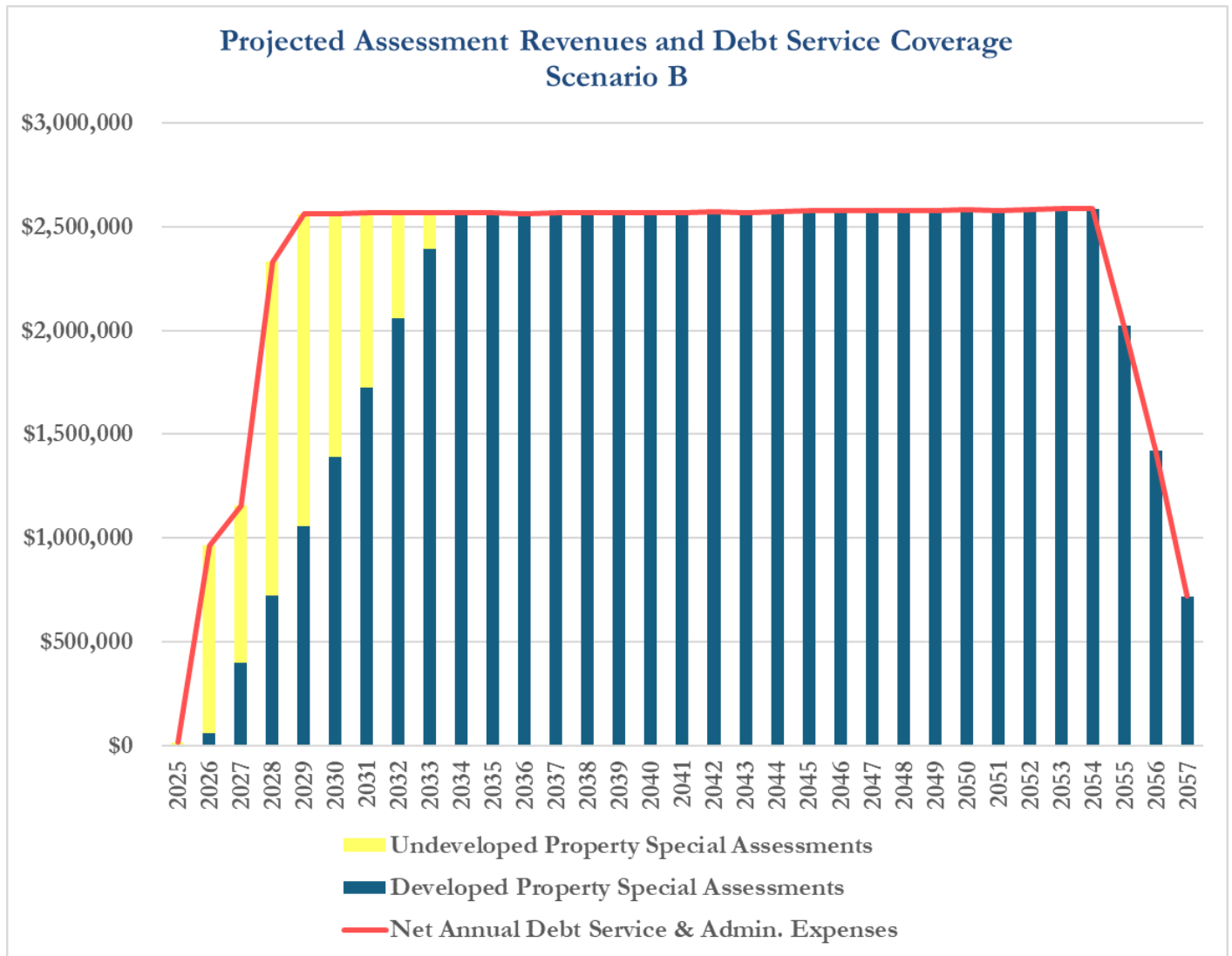
^(a) See Appendix B-2. Represents the estimated Developed Property, as defined in the RMA.

^(b) According to the RMA, the Annual Payment per unit equals the lesser of the Maximum Annual Installment per unit and the Principal Portion of

^(c) See Appendix B-3.

^(d) Represents the projected carrying costs from Undeveloped Property; will depend on the use of prior year assessment revenue surpluses.

Chart B



APPENDIX C

OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

[Date of Delivery]

Lancaster County Council
Lancaster, South Carolina

Re: \$_____ Roselyn Residential Improvement District Assessment Revenue Bonds,
 Series 2025

Gentlemen:

We have acted as bond counsel for Lancaster County, South Carolina (the “County”), in connection with the issuance of its \$_____ Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the “Bonds”). In such capacity, we have examined such law and certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to the Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Act”); an ordinance enacted on November 14, 2022, by the County Council of the County (the “Bond Ordinance”); and a Master Trust Indenture dated as of August 1, 2025 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture (the “First Supplemental Indenture”) dated as of August 1, 2025, both between the County and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) (the Master Indenture and the First Supplemental Indenture are herein collectively referred to as the “Indenture”).

The Bonds are issued for the purposes of (i) paying a portion of the costs of the Series 2025 Project, (ii) paying interest coming due on the Bonds through [_____, _____], (iii) funding the Series 2025 Debt Service Reserve Account (as defined in the Indenture) in an amount equal to the Series 2025 Debt Service Reserve Requirement (as defined in the Indenture), (iv) paying the costs of issuance of the Series 2025 Bonds, and (v) paying certain Administrative Expenses (as defined in the Indenture).

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Indenture and the Federal Tax Certificate of the County dated the date hereof, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the Bonds have been duly authorized, executed and delivered by all parties thereto, and we have further assumed the due organization, existence and powers of such other parties relating to the issuance of the Bonds.

As bond counsel, we have been retained solely for the purpose of examining the validity and legality of the Bonds and of rendering the specific opinion herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934) to the County or any other party in connection with the execution and delivery of the Bonds. We have not verified the accuracy, completeness or fairness of any representation or information concerning the business or financial condition of the County in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representation or information.

Based on the foregoing, we are of the opinion that:

1. The County is validly existing as a body corporate and politic of the State with legal power to enact the Bond Ordinance, execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly authorized, executed and delivered by the County and constitutes a valid and binding agreement of the County enforceable against the County in accordance with its terms. The Indenture creates a valid pledge of the Trust Estate (as defined in the Indenture) for the security of the Bonds.

3. The Bonds have been duly authorized, executed and delivered by the County and are valid and binding limited obligations of the County, payable solely from the Trust Estate.

4. Interest on the Bonds is not an item of tax preference in computing the individual federal alternative minimum tax. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. Under the laws of the State of South Carolina, the Bonds and the interest thereon are presently exempt from all taxation in the State, except estate or other transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

We express no opinion regarding tax consequences arising with respect to the Bonds, other than as expressly set forth herein, or regarding the accuracy, adequacy or completeness of the Limited Offering Memorandum relating to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in

equity. We express no opinion as to the enforceability of any indemnification provisions within the Indenture.

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.

The opinions expressed herein are limited to matters concerning the federal laws of the United States of America and the laws of the State. We express no opinion as to the laws of any other jurisdiction.

Very truly yours,

BURR & FORMAN LLP

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORMS OF CONTINUING DISCLOSURE AGREEMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

[Form of Issuer's Continuing Disclosure Agreement]

CONTINUING DISCLOSURE AGREEMENT

Lancaster County, South Carolina
\$ _____ *Roselyn Residential Improvement District*
Assessment Revenue Bonds, Series 2025

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered on August __, 2025, by LANCASTER COUNTY, SOUTH CAROLINA (the "County"), and MUNICAP, INC., as dissemination agent (the "Disclosure Dissemination Agent") in connection with the issuance by the County of its \$ _____ aggregate principal amount of Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the "Bonds").

The Bonds are being issued pursuant to a Master Trust Indenture dated as of August 1, 2025 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of August 1, 2025 (collectively with the Master Indenture, the "Indenture"), each by and between the County and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). This Disclosure Agreement is being executed and delivered by the County for the benefit of the Holders of the Bonds.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Master Indenture or in the Limited Offering Memorandum (as defined herein). The capitalized terms shall have the following meanings:

"Administrative Services Agreement" means the agreement between the County and MuniCap related to, among other things, MuniCap's role as Disclosure Dissemination Agent and Disclosure Representative hereunder.

"Annual Filing Date" means the date in each year, as set forth in Section 2(a) of this Disclosure Agreement, by which the Annual Report is to be filed with the MSRB.

"Annual Filing Information" means the information specified in Section 3 of this Disclosure Agreement.

"Annual Report" means the annual reports described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements of the County for the prior fiscal year, certified by an independent auditor, as prepared in accordance with generally accepted accounting principles, as specified in Sections 2 and 3 of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached **Exhibit A**, with the 9-digit CUSIP numbers relating thereto.

"County Disclosure Representative" shall mean the Chief Financial Officer of the County or his or her designee, or such other officer or employee as the County shall designate in writing to the Disclosure Dissemination Agent from time to time.

"Developer" means Lennar Carolinas, LLC.

“Developer’s Continuing Disclosure Agreement” shall mean the Developer’s Continuing Disclosure Agreement of even date herewith between the Disclosure Dissemination Agent and the Developer.

“Disclosure Dissemination Agent” means MuniCap, or any successor disclosure dissemination agent subsequently designated in writing by the County and which has filed with the County a written acceptance of such designation.

“Disclosure Representative” means MuniCap or such successor disclosure representative as the County 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.

“District” means the Roselyn Residential Improvement District.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (1) 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.

“Holder” means a person (a) which has 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) is treated as the owner of any Bonds for federal income tax purposes.

“Information” means the Annual Filing Information, the Notice Event notices, and the Voluntary Reports.

“Limited Offering Memorandum” means that Limited Offering Memorandum dated July ___, 2025, prepared in connection with the issuance of the Bonds.

“Municap” means Municap, Inc.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Notice Event” means any of the events listed in Section 4(a) of this Disclosure Agreement, as well as the event described in Section 2(c) of this Disclosure Agreement.

“Participating Underwriters” means the original underwriters of the Bonds.

“State” means the State of South Carolina.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the County pursuant to Section 8 of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The County, or the Disclosure Representative on the County’s behalf, shall provide, annually, an electronic copy of the Annual Report to the Disclosure Dissemination Agent, not later than 15 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report, the

Disclosure Dissemination Agent shall provide the Annual Report to the MSRB not later than February 15 of each year, commencing February 15, 2026 with respect to the fiscal year ending June 30, 2025. Such date (February 15) and each anniversary thereof is the Annual Filing Date. Notwithstanding the foregoing, 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; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report; provided, further, that if the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report, on or before the Annual Filing Date, in a format similar to the Audited Financial Statements, with the Audited Financial Statements to be delivered as soon as they are available. If the County's fiscal year changes, the County shall give notice of such change in the same manner as for a Notice Event under Section 4 of this Disclosure Agreement.

(b) If the County, or the Disclosure Representative on its behalf, is unable to provide an Annual Report to the Disclosure Dissemination Agent by the date required in subsection (a) above, the County Disclosure Representative in a timely manner shall send a notice to the Disclosure Dissemination Agent in substantially the form attached as **Exhibit B**.

(c) If the Disclosure Dissemination Agent has not received an Annual Report by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit B**.

Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access ("EMMA") system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

SECTION 3. *Content of Annual Reports.* Each Annual Report shall contain Annual Filing Information with respect to the District, including:

1. A report in substance and form substantially as shown on **Exhibit C** attached hereto; and
2. The Audited Financial Statements of the County, subject to the terms and conditions of Section 2(a) of this Disclosure Agreement.

The Annual Filing Information set forth in subsection 1 above shall contain updates to the information and tables substantially in the format shown on **Exhibit C** attached hereto; provided, however, that as and to the extent any of such items are included in the Audited Financial Statements referred to in subsection 2 above, such items do not have to be separately set forth in the report referred to in subsection 1 above. In addition, any or all of the items shown on **Exhibit C** may be included by specific reference from other documents which have been previously filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

SECTION 4. *Reporting of Notice Events.*

(a) Pursuant to the provisions of this Section 4, the County shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds:

- (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 relating to the Bonds 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 (other than pursuant to an extraordinary redemption under the terms of the Indenture);
- (ix) Defeasances;
- (x) Upon obtaining actual knowledge thereof, the release, substitution, or sale of property securing repayment of the Bonds, if material (provided that for purposes of this event only a sale of property that is a Material Transfer (as defined in the Developer's Continuing Disclosure Agreement) shall be considered to be material, unless Developer has already filed notice of such event under the Developer's Continuing Disclosure Agreement);
- (xi) Rating changes, if any, on the Bonds;
- (xii) Bankruptcy, insolvency, receivership or similar Event of the County (for the purposes of this Disclosure Agreement, an Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County 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 County, 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 County);
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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 the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Bond 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 the County, any of which reflect financial difficulties.

The County will, upon determination that knowledge of the occurrence of a Notice Event which is subject to a materiality determination would be material under applicable federal securities laws, promptly notify the Disclosure Dissemination Agent. Such notification to the Disclosure Dissemination Agent shall be accompanied with the text of the disclosure that the County desires to make, the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and the date the County desires for the Disclosure Dissemination Agent to disseminate such information.

Upon its receipt of a notification of a Notice Event, the Disclosure Dissemination Agent, on behalf of the County, shall file a notice of the Notice Event in a timely manner, not in excess of ten business days after the occurrence of such Notice Event, with the MSRB.

SECTION 5. *CUSIP Numbers.* Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, notices of Notice Events, and Voluntary Reports filed pursuant to Section 8(a) of this Disclosure Agreement, the County shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. *Additional Disclosure Obligations.* The County 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 County, and that the failure of the Disclosure Dissemination Agent to so advise the County shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The County acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. *Voluntary Reports.*

(a) The County Disclosure Representative may instruct the Disclosure Dissemination Agent to file information with the MSRB, from time to time a “Voluntary Report.”

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the County 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, Annual Filing Information, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Annual Filing Information, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the County shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Filing Information, Voluntary Report or Notice Event notice.

SECTION 8. *Termination of Reporting Obligation.* The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon delivery by the County

Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. *Disclosure Dissemination Agent and Disclosure Representative.* In accordance with the terms and provisions of the Administrative Services Agreement, the County hereby appoints MuniCap as Disclosure Dissemination Agent and as Disclosure Representative under this Disclosure Agreement and MuniCap hereby agrees to provide the services of Disclosure Dissemination Agent and Disclosure Representative hereunder. The County may, upon thirty days written notice to MuniCap, remove MuniCap as Disclosure Dissemination Agent or Disclosure Representative under this Disclosure Agreement. Likewise, MuniCap may, upon thirty days written notice to the County, resign as Disclosure Dissemination Agent or Disclosure Representative under this Disclosure Agreement. In either such case, MuniCap's services as Disclosure Dissemination Agent or Disclosure Representative, as applicable, shall be terminated. Upon termination of MuniCap's services as Disclosure Dissemination Agent or Disclosure Representative, whether by notice of the County or MuniCap, the County will appoint a successor Disclosure Dissemination Agent or Disclosure Representative, as applicable, for the benefit of the Holders of the Bonds or, alternatively, will assume all responsibilities of Disclosure Dissemination Agent or Disclosure Representative, as applicable, under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor Disclosure Dissemination Agent or Disclosure Representative, the County shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent and Disclosure Representative, as applicable, hereunder. It is expressly understood that amounts due and payable to the Disclosure Dissemination Agent and the Disclosure Representative hereunder shall constitute Administrative Expenses, under and as defined in the Master Indenture, and pursuant to the Master Indenture such Administrative Expenses may be paid from Assessments.

SECTION 10. *Remedies in Event of Default.* In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure 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 and the Limited Liability of the Disclosure Dissemination Agent and Disclosure Representative.*

(a) The Disclosure Dissemination Agent and the Disclosure Representative 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 County Disclosure Representative or the Disclosure Representative 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, nor be responsible for, any Information or any other information, disclosures or notices provided to it by the County Disclosure Representative or the Disclosure Representative. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall be deemed to be acting in any fiduciary capacity for the Developer, the County, the Holders of the Bonds or any other party. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall have any responsibility for the County's or the County's Disclosure Representative's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. Neither the Disclosure Dissemination Agent nor the Disclosure Representative shall have any duty to determine, or liability for failing to

determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent and the Disclosure Representative may conclusively rely upon certifications of the County Disclosure Representative at all times. No person shall have any claim against the Disclosure Dissemination Agent or the Disclosure Representative, or any of their respective officers, officials, agents or employees for damages suffered as a result of the Disclosure Dissemination Agent's or the Disclosure Representative's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Disclosure Dissemination Agent or the Disclosure Representative or any of their respective officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

The obligations of the County under this Section shall survive resignation or removal of the Disclosure Dissemination Agent or the Disclosure Representative and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent and the Disclosure Representative may, from time to time, consult with legal counsel (either in-house or external) of their 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 neither of them shall 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 County.

SECTION 12. [Reserved].

SECTION 13. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Disclosure Dissemination Agent and the County may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Disclosure Dissemination Agent shall describe such amendment in the next report provided pursuant to Section 2 of this Disclosure Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

SECTION 14. *Limited Liability of the County.* Any and all obligations of the County arising out of or related to this Disclosure Agreement are special obligations of the County and may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit, and the County's obligations to make any payments hereunder are restricted entirely to the Trust Estate and the Administrative Expenses Fund (which is expressly excluded from the Trust Estate under the terms of the Master Indenture) and from no other source. No person, including any Holder, shall have any claim against the County or any of its officers, officials, agents or employees for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement, the Bonds or any other agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale and delivery of the Bonds (collectively, the "Bond Documents") or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent expressly set forth in this Disclosure Agreement, or in the Bond Documents, provided however, that, subject to Section 11 of this Disclosure Agreement, nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

SECTION 15. *Severability.* In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the County, the Disclosure Dissemination Agent, the Disclosure Representative, the Trustee, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 17. *Governing Law.* This Disclosure Agreement shall be governed by the laws of the State of South Carolina.

SECTION 18. *Counterparts.* This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 19. *Notice.* Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

If to the Disclosure
Dissemination Agent:

MuniCap, Inc.
8965 Guilford Road, Suite 210
Columbia, Maryland 21046
Attention: Keenan Rice

If to the County:

County Administrator
Lancaster County, South Carolina
Post Office Box 1809
Lancaster, South Carolina 29721-1809

The Disclosure Dissemination Agent, the Trustee and the County have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

MUNICAP, INC., as Disclosure Dissemination Agent

By: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of County: Lancaster County, South Carolina

Name of Bond Issue: Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025

Date of Issuance: _____, 2025

Date of Limited
Offering Memorandum: _____, 2025

| CUSIP Numbers: | <u>Maturity Date</u> | <u>CUSIP</u> |
|----------------|----------------------|--------------|
| | 12/1/_____ | |
| | 12/1/_____ | |
| | 12/1/_____ | |

EXHIBIT B
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of County: Lancaster County, South Carolina (the "County")

Name of Bond Issue: Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated _____, 2025, between the County and MuniCap, Inc., as Disclosure Dissemination Agent. *[The following sentence will be included in this Notice if such information is available and provided by the County to the Disclosure Dissemination Agent by a date which allows the Disclosure Dissemination Agent to meet its obligations in Section 2(b) and (c) of the Continuing Disclosure Agreement]* The County has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be provided to the Disclosure Dissemination Agent by _____.

Dated: _____

MuniCap, Inc., as
Disclosure Dissemination Agent, on behalf of the
County

By: _____

Name: _____

Title: _____

cc: Lancaster County

EXHIBIT C
FORM OF ANNUAL REPORT

Lancaster County, South Carolina
Roselyn Residential Improvement District
Assessment Revenue Bonds, Series 2025

The information in this report is provided to meet the annual reporting requirements of Lancaster County, South Carolina (the “County”) provided for in Section 3 of the Continuing Disclosure Agreement dated _____, 2025 (the “Continuing Disclosure Agreement”), between the County and MuniCap, Inc., as disclosure dissemination agent (“MuniCap”). The information provided in this report comprises the Annual Filing Information to be included in the Annual Report to be filed on or before the Annual Filing Date (each as defined in the Continuing Disclosure Agreement).

Serving as the Disclosure Representative, as defined in the Continuing Disclosure Agreement, MuniCap has prepared this report. The information presented in this report was provided by a number of sources and is believed to be accurate; however, MuniCap has made no efforts to independently verify this information. All information in this Annual Report is provided as of December 31, 20____, unless otherwise stated.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum relating to the Bonds (as defined in the Continuing Disclosure Agreement) and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the Continuing Disclosure Agreement.

A. ACCOUNT AND FUND BALANCES

Table 1 below shows the account balances as of December 31, ____, interest paid, additional proceeds and disbursements during the year ending December 31, ____ for all of the funds and accounts provided for in the Master Indenture (as defined in the Continuing Disclosure Agreement).

TABLE 1

Fund Balances

| Fund or Account | Balance 12/31/____ | Disbursements | Additional Proceeds | Interest Earned | Balance 12/31/____ |
|---|-------------------------------|----------------------|--------------------------------|----------------------------|-------------------------------|
| Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund | | | | | |
| Series 2025 Cost of Issuance Sub-account of the Acquisition and Construction Fund | | | | | |
| Revenue Fund | | | | | |
| Series 2025 Principal Account of the Debt Service Fund | | | | | |
| Series 2025 Interest Account of the Debt Service Fund | | | | | |
| Series 2025 Capitalized Interest Sub-account of the Debt Service Fund | | | | | |
| Series 2025 Sinking Fund Account of the Debt Service Fund | | | | | |
| Series 2025 Debt Service Reserve Account of the Debt Service Reserve Fund | | | | | |
| Series 2025 General Account of the Bond Redemption Fund | | | | | |
| Series 2025 Prepayment Account of the Bond Redemption Fund | | | | | |
| Administrative Expenses Fund | | | | | |
| Total | | | | | |
| | | | | | |

B. CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF ASSESSMENTS

The following is a list of all changes, if any, to the Rate and Method of Apportionment of Assessments since the previous year's Annual Report.

(Describe here, if any)

C. ASSESSMENTS BILLED AND COLLECTED

Annual Assessment billings totaling \$_____ were billed for the 20__-20__ Assessment Year. These annual Assessment billings were due January 15, 20__. As of January __, 20__, the County reports that annual Assessment billings in the amount of \$_____ have been collected, representing approximately __ percent of the annual Assessment billings for the 20__-20__ Assessment Year. As of January __, 20__, the County reports that annual Assessment billings in the amount of \$_____ remain outstanding, representing approximately __ percent of the annual Assessment billings for the 20__-20__ Assessment Year.

D. OUTSTANDING ASSESSMENT BILLINGS

As of January __, 20__, the County reports outstanding Assessment billings as shown in the table below.

[Table to be provided by MuniCap]

If the amount of outstanding Assessment billings is more than 10 percent of the amount of the Assessments billed in any Assessment Year, the property owners responsible for the outstanding Assessment billings in that Assessment Year shall be provided.

E. FORECLOSURE PROCEEDINGS

Table 2 below shows the amount of Assessment billings subject to foreclosure proceedings for any relevant Assessment Year.

Table 2

Assessment Billings Subject to Foreclosure Proceedings

| Status | Assessment Billings for 20__ Assessment Year |
|--|---|
| Subject to foreclosure but not yet instituted | \$0 |
| Foreclosure instituted but have not been concluded | \$0 |
| Reduced to judgment but not collected | \$0 |
| Judgment collected | \$0 |
| Total | \$0 |

F. ANNUAL ASSESSMENTS BY PROPERTY OWNER

Table 3 below lists any property owners responsible for the payment of more than five percent of the Assessments billed in the most recent Assessment Year, the amount of Assessments billed to such property owner and the percentage of such billed Assessments relative to the entire annual billing of Assessments.

Table 3
Concentration of Annual Assessments by Property Owner

| Owner | Annual Assessments Billed | Percentage of Total |
|--------------|--------------------------------------|--------------------------------|
| | | |
| | | |
| Total | | |

G. PREPAYMENT OF ASSESSMENTS AND REDEMPTION BY PREPAYMENTS

The following is a list of any Assessment prepayments received since the prior Annual Report, if any, and the amount of Bonds redeemed or called for redemption as a result of such Assessment prepayments.

[List, if any]

H. DEBT SERVICE SCHEDULE

Table 4 below shows the debt service schedule for the remaining term of the Bonds as of the date of this Annual Report.

Table 4
Debt Service Schedule

| Year Ending December 1 | Principal | Annual Interest Expense | Total Debt Service |
|-----------------------------------|------------------|--|-------------------------------|
| | | | |
| Total | | | |

I. UNDEVELOPED PROPERTY ASSESSMENTS

The following is an update to the tables in the Limited Offering Memorandum under the section “**THE DISTRICT AND THE DEVELOPMENT—The Development—Undeveloped Property Assessments**” for the most recent Assessment Year.

[Insert Tables with appropriate footnotes]

J. AUDITED FINANCIAL STATEMENTS

The County's Audited Financial Statements (as defined in the Continuing Disclosure Agreement) are attached or have been separately provided on EMMA (as defined in the Continuing Disclosure Agreement).

DEVELOPER'S CONTINUING DISCLOSURE AGREEMENT

***Lancaster County, South Carolina
\$[] Roselyn Residential Improvement District
Assessment Revenue Bonds, Series 2025***

This Developer's Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered on [**], by **LENNAR CAROLINAS, LLC**, a Delaware limited liability company the "Developer"), and **MUNICAP, INC.** (the "Disclosure Dissemination Agent" or "MuniCap") in connection with the issuance by Lancaster County, South Carolina (the "County") of its \$[**] aggregate principal amount of Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the "Bonds").

The Bonds are being issued pursuant to a Master Trust Indenture dated as of August 1, 2025 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of August 1, 2025 (collectively with the Master Indenture, the "Indenture"), each by and between the County and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). This Disclosure Agreement is being executed and delivered by the Developer for the benefit of the Holders of the Bonds. The Developer and MuniCap hereby covenant and agree as follows:

SECTION 1. Definitions. All capitalized terms used herein shall be as defined in the Master Indenture or in the hereinafter defined Limited Offering Memorandum. In addition, the following capitalized terms shall have the following meanings:

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under common control with, the Developer. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests, membership interests or by contract or otherwise.

"County" means Lancaster County, South Carolina.

"Developer" means Lennar Carolinas, LLC.

"Disclosure Dissemination Agent" means MuniCap, or any successor disclosure dissemination agent subsequently designated in writing by the County, and which has filed with the County and the Developer a written acceptance of such designation.

"District" means the Roselyn Residential Improvement District.

"Holder" means a person (a) which has 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) is treated as the owner of any Bonds for federal income tax purposes.

"Limited Offering Memorandum" means that Limited Offering Memorandum dated July __, 2025, prepared in connection with the issuance of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“Participating Underwriters” means the original underwriters of the Bonds.

“Person” means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

“State” means the State of South Carolina.

SECTION 2A. *Provision of Information.*

(a) The Developer shall, within thirty days following June 30 and December 31 of each year, commencing with the semi-annual period ending December 31, 2025, provide to the Disclosure Dissemination Agent the following information, and the Disclosure Dissemination Agent shall cause such information to be provided to MSRB, the Participating Underwriters and the County within fifteen (15) days of receipt

(i) With respect to Undeveloped Property owned by the Developer or an Affiliate subject to Assessments and intended for single family detached residential development:

(A) Total number by type of lots currently planned as of the end of the applicable semi-annual period;

(B) Total number by type of lots developed and platted (semi-annually and in the aggregate);

(C) Total number of homes by type contracted for sale to homebuyers (semi-annually and in the aggregate);

(D) Total number of homes by type closed to homebuyers (semi-annually and in the aggregate);

(E) Any bulk sales of land or lots (semi-annually), together with the name of the purchaser, the number of acres/lots sold and the price per acre/lot; and

(F) Any incurrence of mortgage debt on single family detached residential land owned by the Developer or an Affiliate subject to Assessments, together with size of loan, maturity date and name of lender.

(ii) With respect to Undeveloped Property owned by the Developer or an Affiliate subject to Assessments and intended for any use other than single family detached residential development:

(A) Total number of acres and planned residential units or square feet of other types of development as of the end of the applicable semi-annual period;

(B) Total number of acres developed (semi-annually and in the aggregate);

(C) Total number of residential units or square feet of other types of development under construction (semi-annually);

(D) Total number of residential units or square feet of other types of development constructed (semi-annually and in the aggregate);

(E) Any bulk sales of land (semi-annually), together with the number of acres, name of the purchaser, the price per acre and intended use; and

(F) Any incurrence of mortgage debt on land (other than single family detached residential land) owned by the Developer or an Affiliate, together with size of loan, maturity date and name of lender.

(iii) A statement as to material changes, if any, in the form, organization or ownership of the Developer or any Affiliate who owns a material portion of the property in the District;

(iv) A statement as to any material change in the expected plan to develop the District as described in the section of the Limited Offering Memorandum entitled “THE DISTRICT AND THE DEVELOPMENT-The Development-*Development Status and Plan*”;

(v) A statement or statements as to the existence of any administrative or judicial challenge or the status of any adverse litigation (A) against the Developer or any Affiliate that owns property within the District which would materially adversely affect such party’s ability to perform its obligations under the Development Agreement or develop the District as contemplated by the Limited Offering Memorandum or (B) against the Developer or any Affiliate that owns property within the District which litigation would materially adversely affect the completion of the Development as contemplated by the Limited Offering Memorandum; and

(vi) A statement as to any material default by the Developer with respect to any material public works agreement, permit or approval with respect to the District.

(b) If the Developer does not provide the information in subsection (a) of this Section to the Disclosure Dissemination Agent within such time prescribed in subsection (a) of this Section, then the Disclosure Dissemination Agent in a timely manner will provide notice of the late submission of such information to the MSRB.

(c) The Disclosure Dissemination Agent shall provide documentation to the Developer confirming that the information provided by the Developer has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided.

(d) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB’s Electronic Municipal Market Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

SECTION 2B. *Reporting of Significant Events.* Whenever any of the officers of the Developer in charge of the routine day-to-day operations of the Development obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall contact the Disclosure Dissemination Agent within five (5) business days of obtaining such actual knowledge (provided for purposes of any event described in subsection (a) below, this period shall be ten (10) days, as provided in such subsection, which shall be inclusive of the five (5) business days referred to above) and the Disclosure

Dissemination Agent shall immediately report such event to the Trustee and the County and shall promptly provide such information to the MSRB:

(a) failure to pay by the due date the Assessments imposed on a parcel within the District owned by the Developer, or any Affiliate, which failure to pay by the due date is in an amount in excess of \$10,000 and only if such Assessments remain unpaid more than ten (10) days after any of the officers of the Developer in charge of the routine day-to-day operations of the Development has obtained actual knowledge of such failure to pay;

(b) any appeal by the Developer or an Affiliate of any Assessment imposed on a parcel in the District owned by the Developer or any Affiliate, which parcel comprises a material amount of acreage or value;

(c) material damage to or destruction of any material development or improvements owned by the Developer or any Affiliate within the District;

(d) the filing in bankruptcy by or with respect to, the Developer, or any Affiliate that owns property within the District, or any owners of more than a twenty-five percent (25%) interest in the Developer, or any determination that the Developer, or any Affiliate that owns property within the District, or an owner of more than a twenty-five percent (25%) interest in the Developer, is unable to pay its debts as they become due; and

(e) the filing of any adverse litigation (A) against the Developer or any Affiliate that owns property within the District which would materially adversely affect such party's ability to perform its obligations under the Development Agreement or develop the District as contemplated by the Limited Offering Memorandum or (B) against the Developer or any Affiliate that owns property within the District which litigation would materially adversely affect the completion of the Development as contemplated by the Limited Offering Memorandum.

SECTION 3. *Termination and Tolling of Reporting Obligation.*

(a) The Developer's obligations under this Disclosure Agreement shall terminate upon the earlier of (i) legal defeasance of all of the Bonds, (ii) prior redemption of all of the Bonds, and (iii) payment in full of all of the Bonds. In addition, if the Developer transfers all or substantially all of the property in the District owned by the Developer to a Person who is not an Affiliate, the Developer's obligations under this Disclosure Agreement shall terminate upon such transferee's assumption of the Developer's obligations under this Disclosure Agreement or such transferee entering a disclosure agreement substantially similar to this Disclosure Agreement.

(b) In addition, the Developer's obligations under this Disclosure Agreement shall be tolled until the next annual update to the Assessment Roll to the extent the following conditions are met (i) capitalized interest is not available to pay interest on the Bonds or Additional Bonds and principal is due with respect to such Bonds and Additional Bonds, both as demonstrated in the most recent annual update to the Assessment Roll, and (ii) less than 20% of the aggregate Annual Payment is billed to parcels, in accordance with the most recent annual update to the Assessment Roll, that are owned by the Developer or its Affiliates at such time as the County Council approves the Annual Payments to be billed to parcels.

SECTION 4. *Disclosure Dissemination Agent.* The County hereby appoints MuniCap as Disclosure Dissemination Agent under this Disclosure Agreement and MuniCap hereby agrees to provide the services of Disclosure Dissemination Agent hereunder. The County may, upon thirty days written notice to MuniCap, remove MuniCap as Disclosure Dissemination Agent under this Disclosure Agreement.

Likewise, MuniCap may, upon thirty days written notice to the County, resign as Disclosure Dissemination Agent under this Disclosure Agreement. In either such case, MuniCap's services as Disclosure Dissemination Agent shall be terminated. Upon termination of MuniCap's services as Disclosure Dissemination Agent, whether by notice of the County or MuniCap, the County will appoint a successor Disclosure Dissemination Agent for the benefit of the Holders of the Bonds. The Disclosure Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Developer pursuant to this Disclosure Agreement. It is expressly understood that amounts due and payable to the Disclosure Dissemination Agent hereunder shall constitute Administrative Expenses, under and as defined in the Master Indenture, and pursuant to the Master Indenture such Administrative Expenses may be paid from Assessments.

SECTION 5. *Limited Liability of Developer; Remedies in Event of Default.*

(a) No person shall have any claim against the Developer, or any of its officers, officials, agents or employees for damages suffered as a result of the Developer's failure to perform in any respect any covenant, undertaking, or obligation of the Developer under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Developer or any of its officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement pursuant to this Section.

(b) In the event of a failure of the Developer to comply with any provision of this Disclosure Agreement, any Holder of the Bonds may seek specific performance by court order, to cause the Developer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or any other document related to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer to comply with this Disclosure Agreement shall be an action to compel specific performance.

SECTION 6. *Duties, Immunities and the Limited Liability of the 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 Developer 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 of this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify, nor be responsible for, any information, disclosures or notices provided to it by the Developer and shall not be deemed to be acting in any fiduciary capacity for the Developer, the County, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Developer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Developer at all times. No person shall have any claim against the Disclosure Dissemination Agent, or any of its officers, officials, agents or employees for damages suffered as a result of the Disclosure Dissemination Agent's failure to perform in any respect any covenant, undertaking, or obligation under this Disclosure Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Disclosure Dissemination Agent or any of their officers, officials, agents or employees to specifically enforce the provisions of this Disclosure Agreement.

THE DEVELOPER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, AS THE SAME RELATES TO THE DEVELOPER'S OBLIGATIONS HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S NEGLIGENCE OR MISCONDUCT.

The obligations of the Developer 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 of this Disclosure Agreement or its respective duties hereunder, and neither of them shall 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 Developer.

SECTION 7. *Severability.* In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 8. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the Developer, the Disclosure Dissemination Agent, the Trustee, the Participating Underwriters, the County and the Holders from time to time of the Bonds and shall create no rights in any other person or entity.

SECTION 9. *Governing Law.* This Disclosure Agreement shall be governed by the laws of the State of South Carolina.

SECTION 10. *Counterparts.* This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11. *Amendment and Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Disclosure Dissemination Agent and the Developer may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Disclosure Dissemination Agent shall describe such amendment in the next report provided pursuant to Section 2A of this Disclosure

Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

SECTION 12. Notice. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

If to the Disclosure
Dissemination Agent:

MuniCap, Inc.
8965 Guilford Road
Suite 210
Columbia, Maryland 21046
Attention: Keenan Rice

If to the Developer:

Lennar Carolinas, LLC
6701 Carmel Road, Suite 100C
Charlotte, NC 28226

If to the Trustee

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attn: Corporate Trust Department

SECTION 13. County's Role under this Disclosure Agreement. The County is executing this Disclosure Agreement solely for the purposes of acknowledging and accepting (a) (i) its role in appointing the initial Disclosure Dissemination Agent hereunder, (ii) its right to remove the Disclosure Dissemination Agent, and (iii) its duty to appoint a successor Disclosure Dissemination Agent upon the removal or resignation of the Disclosure Dissemination Agent acting hereunder, all as provided in Section 4 of this Disclosure Agreement, (b) its right to receive the information provided on a semi-annual basis as provided in Section 2A of this Disclosure Agreement and (c) its rights as a beneficiary under this Disclosure Agreement as provided in Section 8 of this Disclosure Agreement. Except as expressly provided in the immediately preceding sentence of this Section, the County shall have no duties, obligations or liability under this Disclosure Agreement.

The Developer and the Disclosure Dissemination Agent have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

LENNAR CAROLINAS, LLC

By: _____
Title: _____

MUNICAP, INC., as Disclosure Dissemination Agent

By: _____
Title: _____

Accepted and Acknowledged by Lancaster County, South Carolina as provided in Section 13 of this Disclosure Agreement:

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

APPENDIX E

SUBSTANTIALY FINAL DRAFTS OF THE INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE

between

LANCASTER COUNTY, SOUTH CAROLINA

and

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

Dated as of July 1, 2025

relating to

ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT

TABLE OF CONTENTS

PAGE

ARTICLE I DEFINITIONS

ARTICLE II THE BONDS

| | | |
|---------------|--|----|
| SECTION 2.01. | Amounts and Terms of Bonds; Details of Bonds | 18 |
| SECTION 2.02. | Execution | 19 |
| SECTION 2.03. | Authentication; Authenticating Agent | 19 |
| SECTION 2.04. | Registration and Registrar..... | 19 |
| SECTION 2.05. | Mutilated, Destroyed, Lost or Stolen Bonds..... | 19 |
| SECTION 2.06. | Temporary Bonds..... | 20 |
| SECTION 2.07. | Cancellation and Destruction of Surrendered Bonds..... | 20 |
| SECTION 2.08. | Registration, Transfer and Exchange..... | 20 |
| SECTION 2.09. | Persons Deemed Owners | 21 |
| SECTION 2.10. | Limitation on Incurrence of Certain Indebtedness..... | 21 |
| SECTION 2.11. | Qualification for The Depository Trust Company..... | 21 |

ARTICLE III ISSUE OF BONDS

| | | |
|---------------|---------------------|----|
| SECTION 3.01. | Issue of Bonds..... | 22 |
|---------------|---------------------|----|

ARTICLE IV ACQUISITION OF PROJECT

| | | |
|---------------|--|----|
| SECTION 4.01. | Project to Conform to Plans and Specifications; Changes..... | 25 |
| SECTION 4.02. | Compliance Requirements | 25 |

ARTICLE V ACQUISITION AND CONSTRUCTION FUND

| | | |
|--------------|---|----|
| SECTION 5.01 | Acquisition and Construction Fund | 26 |
|--------------|---|----|

ARTICLE VI ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS

| | | |
|---------------|---|----|
| SECTION 6.01. | Assessments; Lien of Indenture on Pledged Revenues..... | 28 |
| SECTION 6.02. | Funds and Accounts Relating to the Bonds | 28 |
| SECTION 6.03. | Revenue Fund | 28 |
| SECTION 6.04. | Debt Service Fund..... | 30 |
| SECTION 6.05. | Debt Service Reserve Fund..... | 31 |
| SECTION 6.06. | Bond Redemption Fund | 33 |
| SECTION 6.07. | Administrative Expenses Fund | 33 |

| | | |
|---------------|---|----|
| SECTION 6.08. | Drawings on Credit Facility..... | 34 |
| SECTION 6.09. | Procedure When Funds Are Sufficient to Pay All Bonds of a Series | 34 |
| SECTION 6.10. | Certain Moneys to Be Held for Series Bondowners Only | 34 |
| SECTION 6.11. | Unclaimed Moneys | 34 |

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

| | | |
|---------------|--------------------------------------|----|
| SECTION 7.01. | Deposits and Security Therefor | 35 |
| SECTION 7.02. | Investment or Deposit of Funds | 35 |
| SECTION 7.03. | Valuation of Funds..... | 36 |

ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

| | | |
|---------------|--|----|
| SECTION 8.01. | Redemption Dates and Prices. | 37 |
| SECTION 8.02. | Notice of Redemption and of Purchase | 38 |
| SECTION 8.03. | Payment of Redemption Price | 39 |
| SECTION 8.04. | Partial Redemption of Bonds | 39 |

ARTICLE IX COVENANTS OF THE ISSUER

| | | |
|---------------|---|----|
| SECTION 9.01. | Power to Issue Bonds and Create Lien | 40 |
| SECTION 9.02. | Payment of Principal and Interest on Bonds..... | 40 |
| SECTION 9.03. | Enforcement of Payment of Assessments | 40 |
| SECTION 9.04. | Delinquent Assessments | 41 |
| SECTION 9.05. | Sale of Tax Deed or Foreclosure of Assessment | 41 |
| SECTION 9.06. | Other Obligations Payable from Assessments..... | 41 |
| SECTION 9.07. | Books and Records with Respect to Assessments | 41 |
| SECTION 9.08. | Removal of Assessment Liens | 41 |
| SECTION 9.09. | Deposit of Assessments | 42 |
| SECTION 9.10. | Construction | 42 |
| SECTION 9.11. | Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds..... | 42 |
| SECTION 9.12. | Collection of Insurance Proceeds..... | 43 |
| SECTION 9.13. | Use of Revenues for Authorized Purposes Only | 43 |
| SECTION 9.14. | Books and Records | 43 |
| SECTION 9.15. | Observance of Accounting Standards..... | 43 |
| SECTION 9.16. | Establishment of Fiscal Year, Annual Budget..... | 43 |
| SECTION 9.17. | Employment of Consulting Engineer; Consulting Engineer's Report | 44 |
| SECTION 9.18. | Information to Be Filed with Trustee..... | 44 |
| SECTION 9.19. | Covenant Against Sale or Encumbrance; Exceptions..... | 44 |

| | | |
|---------------|--|----|
| SECTION 9.20. | Fidelity Bonds | 44 |
| SECTION 9.21. | No Loss of Lien on Pledged Revenue..... | 44 |
| SECTION 9.22. | Compliance With Other Contracts and Agreements..... | 44 |
| SECTION 9.23. | Issuance of Additional Obligations..... | 45 |
| SECTION 9.24. | Extension of Time for Payment of Interest Prohibited | 45 |
| SECTION 9.25. | Further Assurances..... | 45 |
| SECTION 9.26. | Use of Bond Proceeds to Comply with Internal Revenue Code | 45 |
| SECTION 9.27. | Continuing Disclosure | 45 |

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

| | | |
|----------------|--|----|
| SECTION 10.01. | Events of Default and Remedies..... | 47 |
| SECTION 10.02. | Events of Default Defined | 47 |
| SECTION 10.03. | No Acceleration | 47 |
| SECTION 10.04. | Legal Proceedings by Trustee..... | 48 |
| SECTION 10.05. | Discontinuance of Proceedings by Trustee..... | 48 |
| SECTION 10.06. | Bondholders May Direct Proceedings | 48 |
| SECTION 10.07. | Limitations on Actions by Bondholders | 48 |
| SECTION 10.08. | Trustee May Enforce Rights Without Possession of Bonds | 48 |
| SECTION 10.09. | Remedies Not Exclusive | 49 |
| SECTION 10.10. | Delays and Omissions Not to Impair Rights..... | 49 |
| SECTION 10.11. | Application of Moneys in Event of Default..... | 49 |
| SECTION 10.12. | Trustee's Right to Receiver; Compliance with Act | 50 |
| SECTION 10.13. | Trustee and Bondholders Entitled to all Remedies under Act..... | 50 |
| SECTION 10.14. | Credit Facility Issuer's Rights Upon Events of Default | 50 |

ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

| | | |
|----------------|--|----|
| SECTION 11.01. | Acceptance of Trust | 51 |
| SECTION 11.02. | No Responsibility for Recitals | 51 |
| SECTION 11.03. | Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence..... | 51 |
| SECTION 11.04. | Compensation and Indemnity | 51 |
| SECTION 11.05. | No Duty to Renew Insurance | 51 |
| SECTION 11.06. | Notice of Default; Right to Investigate..... | 51 |
| SECTION 11.07. | Obligation to Act on Defaults | 52 |
| SECTION 11.08. | Reliance by Trustee..... | 52 |
| SECTION 11.09. | Trustee May Deal in Bonds | 52 |
| SECTION 11.10. | Construction of Ambiguous Provisions | 52 |
| SECTION 11.11. | Resignation of Trustee | 52 |
| SECTION 11.12. | Removal of Trustee..... | 53 |
| SECTION 11.13. | Appointment of Successor Trustee | 53 |

| | | |
|----------------|--|----|
| SECTION 11.14. | Qualification of Successor | 53 |
| SECTION 11.15. | Instruments of Succession..... | 53 |
| SECTION 11.16. | Merger of Trustee | 53 |
| SECTION 11.17. | Extension of Rights and Duties of Trustee to Paying Agent and Registrar | 54 |
| SECTION 11.18. | Resignation of Paying Agent or Registrar | 54 |
| SECTION 11.19. | Removal of Paying Agent or Registrar | 54 |
| SECTION 11.20. | Appointment of Successor Paying Agent or Registrar | 54 |
| SECTION 11.21. | Qualifications of Successor Paying Agent or Registrar..... | 54 |
| SECTION 11.22. | Judicial Appointment of Successor Paying Agent or Registrar | 54 |
| SECTION 11.23. | Acceptance of Duties by Successor Paying Agent or Registrar | 55 |
| SECTION 11.24. | Successor by Merger or Consolidation | 55 |

ARTICLE XII

ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

| | | |
|----------------|---|----|
| SECTION 12.01. | Acts of Bondholders; Evidence of Ownership of Bonds | 56 |
|----------------|---|----|

ARTICLE XIII

AMENDMENTS AND SUPPLEMENTS

| | | |
|----------------|---|----|
| SECTION 13.01. | Amendments and Supplements Without Bondholders' Consent | 57 |
| SECTION 13.02. | Amendments With Bondholders' Consent | 57 |
| SECTION 13.03. | Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel..... | 57 |

ARTICLE XIV

DEFEASANCE

| | | |
|----------------|--|----|
| SECTION 14.01. | Defeasance | 58 |
| SECTION 14.02. | Deposit of Funds for Payment of Bonds..... | 58 |

ARTICLE XV

MISCELLANEOUS PROVISIONS

| | | |
|----------------|-------------------------------------|----|
| SECTION 15.01. | Limitations on Recourse | 60 |
| SECTION 15.02. | Payment Dates | 60 |
| SECTION 15.03. | No Rights Conferred on Others | 60 |
| SECTION 15.04. | Illegal Provisions Disregarded..... | 60 |
| SECTION 15.05. | Substitute Notice..... | 60 |
| SECTION 15.06. | Notices | 60 |
| SECTION 15.07. | Controlling Law | 61 |
| SECTION 15.08. | Successors and Assigns..... | 61 |
| SECTION 15.09. | Headings for Convenience Only | 61 |

| | | |
|----------------|------------------------------|----|
| SECTION 15.10. | Counterparts | 61 |
| SECTION 15.11. | Appendices and Exhibits..... | 61 |

| | |
|-----------|--|
| EXHIBIT A | LEGAL DESCRIPTION OF ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT |
| EXHIBIT B | DESCRIPTION OF THE PROJECT |
| EXHIBIT C | FORM OF BOND |
| EXHIBIT D | FORM OF REQUISITION |

THIS MASTER TRUST INDENTURE, dated as of July 1, 2025 (the “Trust Indenture”), by and between **LANCASTER COUNTY, SOUTH CAROLINA**, a body politic and political subdivision organized and existing under the laws of the State of South Carolina (the “Issuer”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association existing under the laws of the United States and having the authority to exercise corporate trust powers, as trustee (the “Trustee”), is being executed to provide for the issuance by the Issuer of certain obligations related to the Roselyn Residential Improvement District, an improvement district established pursuant to the hereafter defined Act (the “District” or “Improvement District”).

WHEREAS, pursuant to the Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the “Act”), the Issuer may acquire, own, construct, establish, install, enlarge, improve, expand, operate, maintain and repair, and sell, lease, and otherwise dispose of any “improvement” in a “district” (within the meaning of the Act) and finance such acquisition, construction, establishment, installation, enlargement, improvement, expansion, operation, maintenance, and repair, in whole or in part, by the imposition of “assessments” (within the meaning of the Act), through the issuance of special district bonds, or revenue bonds, or by any combination of such funding sources; and

WHEREAS, pursuant to an ordinance enacted by the Council (as defined herein) on December 14, 2020, as amended on November 14, 2022, the Issuer created the District; and

WHEREAS, pursuant to an ordinance enacted by the Council on November 14, 2022, the Issuer authorized the imposition of the Assessments and the issuance of the Bonds (as such terms are defined herein).

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

In consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds by the Owners (as such terms are defined herein), and of the sum of \$10.00, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, and premium, if any, and interest on, the Bonds issued hereunder according to their tenor and effect and to secure the performance and observance by the Issuer of all of the covenants expressed or implied herein, in the Supplemental Indenture (as defined herein), if any, authorizing the issuance of Bonds and in the Bonds, the Issuer does hereby assign and pledge the following (the “Trust Estate”) to the Trustee and its successors in trust, and assigns and pledges forever: (i) the Pledged Revenues and Pledged Funds (as such terms are herein defined), provided that the Debt Service Fund and Debt Service Reserve Fund established for a particular Series of Bonds shall be pledged only to the payment of such Series of Bonds; and (ii) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Trustee as security for any Bonds issued pursuant to this Master Indenture by the Issuer or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of a Supplemental Indenture, if any, authorizing such Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of the principal of such Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being

expressly understood and agreed that the Trust Estate established and held hereunder for the Bonds shall be held separate and in trust solely for the benefit of the Owners of the Bonds;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or held or hereafter acquired, forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, except as otherwise expressly provided herein, (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds, without preference of any Bond over any other Bond, (b) for enforcement of the payment of the Bonds, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture, if any, authorizing the issuance of such Bonds, and all other sums payable hereunder, under the Supplemental Indenture, if any, authorizing Bonds or on the Bonds, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (as defined herein) had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

IT IS HEREBY COVENANTED, DECLARED AND AGREED (a) that this Master Indenture creates a continuing pledge equally and ratably to secure the payment in full of the principal of, and premium, if any, and interest on all Bonds which may from time to time be Outstanding hereunder, except as otherwise expressly provided herein, (b) that the Trust Estate shall immediately be subject to this pledge and assignment without any physical delivery thereof or further act, (c) that this pledge and assignment shall be valid and enforceable against all parties having any claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof, and (d) that the Bonds are to be issued, authenticated and delivered, and that the Trust Estate is to be held, dealt with, and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Master Indenture and the Issuer covenants and agrees with the Trustee, except as otherwise expressly provided herein, for the equal and proportionate benefit of the respective Owners from time to time of the Bonds, as follows:

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that to provide for the issuance of Bonds under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures, the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

ARTICLE I

DEFINITIONS

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout the Indenture, and in addition, the following terms shall have the meanings specified below:

“Accounts” shall mean any accounts established pursuant to the Indenture.

“Acquisition and Construction Fund” shall mean the fund so designated in and created pursuant to Section 5.01 hereof.

“Acquisition and Funding Agreements” shall mean one or more Acquisition and Funding Agreements between the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, certain improvements comprising a portion of the Project.

“Act” shall mean the South Carolina Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended, and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976, as amended.

“Administrative Expenses” shall have the meaning set forth in the Assessment Roll.

“Administrative Expenses Fund” shall mean the fund so designated in and created pursuant to Section 6.07 hereof.

“Assessment” or “Assessments” shall mean all non *ad valorem* assessments, including Delinquent Assessments, imposed and collected, including penalties, interest and expenses collected by the Issuer, in connection with the District pursuant to the Act and the Assessment Proceedings.

“Assessment Consultant” shall mean MuniCap Inc. or such other firm selected by the Issuer qualified to assist with the administration of the Improvement District.

“Assessment Proceedings” shall mean the proceedings, as amended, of the Issuer with respect to the establishment, imposition and collection of the Assessments, including the Assessment Roll.

“Assessment Roll” shall mean the Assessment Report (including the RMA) prepared by MuniCap, Inc. and adopted by the Council of the Issuer on December 7, 2020, as amended by the Council of the Issuer on November 14, 2022, and as further amended and supplemented from time to time.

“Authorized Officer” shall mean the County Administrator or such other person or persons designated by the Chairman or County Administrator to act for the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

“Authorized Denomination” shall mean, except as provided in any Supplemental Indenture, the denomination of \$1,000 or any integral multiple thereof.

“Bonds” shall mean the Roselyn Residential Improvement District Assessment Revenue Bonds issued in one or more Series and delivered pursuant to the provisions of this Master Indenture and the

applicable Supplemental Indenture and Bonds subsequently issued to finance the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project.

“Bond Counsel” shall mean Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

“Bondholder,” “Holder of Bonds,” “Holder” or “Owner” or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

“Bond Redemption Fund” shall mean the Fund so designated which is established pursuant to Section 6.06 hereof including, with respect to any Series of Bonds, the Series Accounts established for such Series of Bonds pursuant to Section 6.06 hereof.

“Bond Register” shall have the meaning specified in Section 2.04 of this Master Indenture.

“Business Day” shall mean any day other than a Saturday or Sunday or legal holiday or any day the Federal Reserve System is not available for the wiring of funds or a day on which the principal office of the Issuer, the Trustee, the Registrar or any Paying Agent is closed.

“Certified Public Accountant” shall mean a Person, who shall be Independent, appointed by the Council, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

“Chairman” shall mean the Chairman of the Council, or in his or her absence or unavailability, the person succeeding to or performing his or her principal functions.

“Clerk” shall mean the Clerk to the County Council, or in his or her absence or unavailability, the person succeeding to or performing his or her principal functions.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Completion Date” shall have the meaning given to such term in Section 5.01 of this Master Indenture.

“Consulting Engineer” shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 9.17 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by the Indenture.

“Continuing Disclosure Agreement” shall mean, collectively, the Issuer Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement.

“Cost” or “Costs,” in connection with the Project or any portion thereof, shall mean all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles or which are incidental to the planning, financing, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction;

- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of improvements;
- (d) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (e) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its employees, materials and supplies purchased by the Issuer, and permits and licenses obtained by the Issuer);
- (f) cost of all lands, properties, rights, easements, and franchises acquired;
- (g) financing charges;
- (h) creation of initial reserve and debt service funds;
- (i) working capital;
- (j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Issuer may determine and which is provided to the Trustee;
- (k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (l) the discount, if any, on the sale or exchange of Bonds;
- (m) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (n) costs of prior improvements performed by the Issuer in anticipation of the Project;
- (o) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (p) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (q) payments, contributions, dedications, and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any District purpose;
- (r) Administrative Expenses;
- (s) taxes, assessments and similar governmental charges during construction or reconstruction of the Project;

- (t) expenses of Project management and supervision;
- (u) costs of effecting compliance with any and all governmental permits relating to the Project;
- (v) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of the Project or to the financing thereof; and
- (w) any other “cost” or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, “Cost” includes, without limiting the generality of the foregoing, the items listed in (d), (k), and (l) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

“Council” shall mean the County Council of the Issuer.

“Counsel” shall mean an attorney-at-law or law firm (who may be counsel for the Issuer).

“County” shall mean Lancaster County, South Carolina.

“County Administrator” shall mean the then County Administrator or acting County Administrator of the County.

“County Assessor” shall mean the Assessor of the County.

“County Auditor” shall mean the Auditor of the County.

“County Treasurer” shall mean the Treasurer of the County.

“Credit Facility” shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in the Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Issuer.

“Credit Facility Agreement” shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

“Credit Facility Issuer” shall mean the issuer or guarantor of any Credit Facility.

“Debt Service Fund” shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

“Debt Service” or “Debt Service Requirements,” with reference to a specified period, shall mean:

(a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under the Indenture; and

(b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and

(c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

“Debt Service Reserve Fund” shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

“Debt Service Reserve Insurance Policy” shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking *pari passu* with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any account thereof in the highest rating category of both Moody’s and S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

“Debt Service Reserve Letter of Credit” shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any account thereof in the highest rating category of both Moody’s and S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

“Debt Service Reserve Requirement” shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

“Defeasance Securities” shall mean, to the extent permitted by law, (a) cash or (b) non-callable Government Obligations.

“Delinquent Assessments” shall mean, collectively, any and all installments of any Assessments which are not paid within 60 days of the date on which such installments are due and payable.

“Depository” shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by the Issuer as a depository of moneys subject to the provisions of this Master Indenture.

“Developer” shall mean Lennar Carolinas, LLC, and its successors and assigns.

“Developer Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement between the Developer and Municap, Inc., as dissemination agent, in connection with the issuance of a Series of Bonds hereunder, pursuant to the requirements of the Rule.

“District” or “Improvement District” shall mean the Roselyn Residential Improvement District, an improvement district created and established pursuant to the Act, as such premises may be further expanded or contracted pursuant to the Act.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” shall mean any of the events described in Section 10.02 hereof.

“Fiscal Year” shall mean the period of twelve (12) months beginning July 1 of each calendar year and ending on June 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding June 30; or such other consecutive twelve-month period as may hereafter be established pursuant to an ordinance as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

“Fund” or “Funds” shall mean any fund established pursuant to this Master Indenture.

“Generally Accepted Accounting Principles” shall mean those accounting principles applicable in the preparation of financial statements of municipalities.

“Government Obligations” shall mean (a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America; and (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”).

“Indenture” shall mean, with respect to any Series of Bonds, this Master Trust Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

“Independent” shall mean a Person who is not a member of the Council, an officer or employee of the Issuer or the Developer, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Council, or an officer or employee of the Issuer or the Developer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or the Developers shall not make such Person an employee within the meaning of this definition.

“Interest Account” shall mean, with respect to any Series of Bonds, the Series Interest Account so established for such Series of Bonds as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Interest Payment Date” shall mean the date specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

“Interest Period” shall mean the period from and including any Interest Payment Date to and excluding the next succeeding Interest Payment Date; provided, however, that upon final payment of any Bond at maturity or upon redemption or mandatory purchase, the Interest Period shall extend to, but not include, the date of such final payment, which shall always be a Business Day.

“Investment Securities” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein provided the Trustee shall have no duty to determine what are permitted investments under the laws of the State but shall act solely at the written direction of the Authorized Officer:

- (a) Government Obligations, which are also:
 - (i) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”),
 - (ii) Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America,
 - (iii) Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or
 - (iv) Evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (b) Federal Housing Administration debentures;
- (c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation (FHLMC) obligations,
 - (ii) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) - Senior Debt obligations,
 - (iii) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and note,
 - (iv) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations,
 - (v) Federal National Mortgage Association (FNMA) Senior debt obligations mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts),
 - (vi) Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date),

- (vii) Financing Corporation (FICO) Debt obligations, and
- (viii) Resolution Funding Corporation (REFCORP) Debt obligations;
- (d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P, including the Trustee or its affiliates;
- (e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million, including the Trustee or its affiliates;
- (f) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's;
- (g) Money market funds rated "AAm" or "AAm-G" by S&P, or better, including the Trustee or its affiliates;
- (h) "State Obligations", which means:
 - (i) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "Aa" by Moody's and "AA" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,
 - (ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated "A-1+" by S&P and "MIG-1" by Moody's;
 - (i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:
 - (i) The municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions,
 - (ii) The municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations,
 - (iii) The principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification"),

- (iv) The cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligation,
 - (v) No substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification, and
 - (vi) The cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;
- (j) Repurchase agreements with an Eligible Provider which for purposes of this section shall mean: (1) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least “A” by S&P and “A2” by Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by S&P and “A2” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; provided that:
- (i) The market value of the collateral, which collateral shall be limited to those Investment Securities defined in (a), (b) and (c) above, is maintained at 103% of all funds on deposit plus accrued interest and valued at least weekly (with a market value approach);
 - (ii) The Trustee or a third party acting solely as agent therefor or for the Issuer (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
 - (iii) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that such collateral is free and clear of any third-party liens or claims and that to the extent permitted by law in effect in the State, including the Uniform Commercial Code, the Holder of the Collateral has a perfected security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
 - (iv) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must deliver notice of such downgrade to the Issuer and the Trustee, in writing, within five (5) Business Days after the occurrence of such downgrade and the provider shall, at its option, within ten (10) Business Days of receipt of publication of such downgrade, either:
 - (a) Assign the repurchase agreement to an Eligible Provider acceptable to the Issuer and the Trustee, or
 - (b) Obtain a Guaranty in a form and from an Eligible Provider acceptable to the Issuer and the Trustee.

In the event that the Provider fails to take one of the remedies provided for in (j)(iv)(a) or (j) (iv)(b) above, then the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), within ten (10) Business Days of receipt of such direction repay the principal of and accrued but unpaid interest on the investment agreement, in either case with no penalty or premium to the Issuer or Trustee,

- (k) Investment agreements with an Eligible Provider which for purposes of this section shall mean a domestic or foreign bank or corporation, the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by S&P and “Aa3” by Moody’s; provided that, by the terms of the investment agreement:
 - (i) Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the related Series of Bonds;
 - (ii) The invested funds are available for withdrawal without penalty or premium, for permitted project or program purposes, at any time upon not more than seven days’ prior notice; and the Issuer and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
 - (iii) The investment agreement shall state that it is an unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;
 - (iv) The Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be also addressed to the Issuer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable to the Issuer and Trustee;
 - (v) The investment agreement shall provide that if during its term
 - (A) The provider’s rating by either S&P or Moody’s falls below “AA-” or “Aa3,” respectively, the provider must deliver notice of such downgrade to the Issuer and the Trustee, in writing, within five (5) Business Days after the occurrence of such downgrade and shall, at its option, within ten (10) Business Days of receipt of publication of such downgrade, either:
 - (i) Assign the investment agreement to an Eligible Provider acceptable to the Issuer and the Trustee, or

- (ii) Collateralize the investment agreement by delivering or transferring in accordance with applicable State and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or the Holder of the Collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or
- (iii) Obtain a Guaranty in a form and from an Eligible Provider acceptable to the Issuer and the Trustee;
- (iv) Take any other action acceptable to the Issuer and the Trustee.

In the event that the provider fails to take one of the remedies provided for in (k)(v)(A)(i), (k)(v)(A)(ii), (k)(v)(A)(iii) or (k)(v)(A)(iv) above, then the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), within ten (10) Business Days of receipt of such direction repay the principal of and accrued but unpaid interest on the investment agreement, in either case with no penalty or premium to the Issuer or the Trustee,

- (B) The provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must deliver notice of such downgrade to the Issuer and the Trustee, in writing, within five (5) Business Days after the occurrence of such downgrade and the provider shall, at its option, within ten (10) Business Days of receipt of publication of such downgrade, either:
 - (i) Assign the investment agreement to an Eligible Provider acceptable to the Issuer and the Trustee, or
 - (ii) Obtain a Guaranty in a form and from an Eligible Provider acceptable to the Issuer and the Trustee.

In the event that the Provider fails to take one of the remedies provided for in (k)(v)(B)(i) or (k)(v)(B)(ii) above, then the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), within ten (10) Business Days of receipt of such direction repay the principal of and accrued but unpaid interest on the investment agreement, in either case with no penalty or premium to the Issuer or Trustee,

- (vi) The investment agreement shall state that in the event collateral is required to be pledged by the provider under the terms of the investment agreement that at the time such collateral is delivered, that, 1) such collateral is free and clear of any third-party liens or claims and 2) to the extent permitted by law in effect in the State, including the Uniform Commercial Code, the Holder of the Collateral has a perfected security interest in the collateral,

any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession). In conjunction with the delivery of such collateral the provider agrees to provide an opinion of counsel at the time of delivery, at the providers expense that such collateral is free and clear of any third-party liens or claims and that to the extent permitted by law in effect in the State, including the Uniform Commercial Code, the Holder of the Collateral has a perfected security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession).

- (vii) The investment agreement must provide that if during its term
 - (A) The provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Issuer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and
 - (B) The provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate.

"Issuer" shall mean Lancaster County, South Carolina.

"Issuer Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement, between the Issuer and Municap, Inc., as dissemination agent, in connection with the issuance of a Series of Bonds hereunder, pursuant to the requirements of the Rule.

"Master Indenture" shall mean, this Master Trust Indenture dated as of July 1, 2025, by and between the Issuer and the Trustee, as supplemented from time to time in accordance with the provisions of Article XIII hereof.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Outstanding," in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

- (a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;
- (b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the

required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are known by the Trustee to be held on behalf of the Issuer shall be disregarded for the purpose of any such determination; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Paying Agent” shall mean initially, the Trustee and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Person” or “Persons” shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

“Pledged Funds” shall mean the funds created pursuant to Articles V and VI hereof except the Rebate Fund.

“Pledged Revenues” shall mean the revenues from the Assessments and any other revenues designated as such by the Issuer in a Supplemental Indenture and which shall constitute the security for and source of payment of the Bonds and may consist of any source of funds not constituting a general tax as may be available and authorized by the Issuer and transferred to the Trustee for deposit into the Revenue Fund.

“Prepayment” shall mean the payment by any owner of property of the amount of Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the Assessment Proceedings and the Assessment Roll.

“Principal Account” shall mean, with respect to any Series of Bonds, the Series Principal Account so established for such Series of Bonds as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Project” shall mean, with respect to any Series of Bonds, the portion or portions of certain water and sewer facilities, a stormwater management system, civic improvements (and other public facilities), roads, and roadway improvements to be acquired and/or constructed by the Issuer, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that each Project shall constitute an Improvement, as identified in the Improvement Plan and specially benefit all of the property within the Improvement District on which Assessments to secure such Series of Bonds have been levied.

“Rebate Fund” shall mean the Fund, if any, so designated, which is established pursuant to an arbitrage rebate agreement to which the Trustee is a party, into which certain moneys shall be deposited in accordance with the provisions of said arbitrage rebate agreement.

“Record Date” shall mean, as the case may be, the applicable Regular Record Date or Special Record Date.

“Redemption Price” shall mean the principal amount of any Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

“Registrar” shall mean initially the Trustee which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Regulatory Body” shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the Issuer and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the Issuer, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

“Revenue Fund” shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

“RMA” shall mean the Rate and Method of Apportionment of Assessments attached as an exhibit to the Assessment Roll, as amended from time to time.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S.C. Code” shall mean the Code of Laws of South Carolina 1976, as amended.

“S&P” shall mean S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Series” shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any ordinance of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series of Bonds may be issued simultaneously under separate Supplemental Indentures, under the terms of this Master Indenture.

“Series Account” shall mean, as the context would require or permit for the purposes hereof, a separate Account within a particular Fund created for a Series of Bonds issued hereunder.

“Sinking Fund Account” shall mean, with respect to any Series of Bonds, the Series Sinking Fund Account so established for such Series of Bonds as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

“Sinking Fund Installment” shall mean those payments made pursuant to Section 8.01(c) hereof and the applicable Supplemental Indenture.

“Special Record Date” shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

“State” shall mean the State of South Carolina.

“Supplemental Indenture” and “indenture supplemental hereto” shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

The words “hereof”, “herein”, “hereto”, “hereby”, and “hereunder” (except in the form of Bond), refer to the entire Master Indenture.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[END OF ARTICLE I]

ARTICLE II

THE BONDS

SECTION 2.01. Amounts and Terms of Bonds; Details of Bonds. The Issuer is hereby authorized to issue the Bonds in one or more Series pursuant to the terms and conditions of this Master Indenture and the applicable Supplemental Indenture. The total principal amount of Bonds that may be issued under this Master Indenture is not limited. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards and in substantially the form attached hereto as Exhibit C, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

The Bonds shall be special obligations of the Issuer. Neither the Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14(10) of the State Constitution authorizing indebtedness payable solely from a source of revenues derived other than from a tax or license). The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the Issuer or a charge against the general credit or taxing power of the Issuer. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Pledged Revenues and the Pledged Funds, all as provided herein and in the applicable Supplemental Indenture.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date

(hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee 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 of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

SECTION 2.02. Execution. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Council, and the seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of the Clerk. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

SECTION 2.03. Authentication . No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

SECTION 2.04. Registration and Registrar. The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the “Bond Register” or “Register”) in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall designate a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept.

SECTION 2.05. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee, as the case may be, shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee, as the case may be, may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory to both and reasonable indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond

under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

SECTION 2.06. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

SECTION 2.07. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar or Paying Agent and cancelled and destroyed by, the Trustee. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

SECTION 2.08. Registration, Transfer and Exchange. As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 2.09. Persons Deemed Owners. The Issuer, the Trustee, any Paying Agent and the Registrar shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, a Registrar for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent and, the Registrar shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 2.10. Limitation on Incurrence of Certain Indebtedness. The Issuer will not issue Bonds, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

SECTION 2.11. Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by an ordinance of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with DTC and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Such Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for such Series and so long as such Series are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, such Series of Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for

maintaining records with respect to the beneficial ownership interests of individual purchasers of such Series of Bonds ("Beneficial Owners").

Principal and interest on the Bonds prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Such Series of Bonds shall initially be issued in the form of one fully registered Bond for each maturity of each Series and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF SUCH SERIES OF BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer has entered into a blanket letter of representations dated December 14, 1999 with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co and the rules and procedures of DTC on file with the U.S. Securities and Exchange Commission.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the designated corporate trust office of the Trustee.

ARTICLE III

ISSUE OF BONDS

SECTION 3.01. Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of a Project, to refund all or a portion of a Series of Bonds or for the completion of a Project (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture); provided, however, that at the time of issuance of a Series of Bonds following the \$[] Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025, (a) the aggregate original principal amount of Bonds previously issued and the Series of Bonds to be issued (other than a refunding Series of Bonds) shall not exceed the lesser of (x) \$37,750,000 or (y) an aggregate of \$25,000 per estimated dwelling unit, and (b) the scheduled principal and interest requirements on the Bonds previously issued and the Series of Bonds to be issued, plus estimated Administrative Expenses, shall not exceed \$1,550 per estimated dwelling unit multiplied by 30 years over which the Assessments may be collected (including any Assessment previously collected), as the same shall be certified in writing by an

Assessment Consultant. In connection with the issuance of a Series of Bonds the Trustee shall, at the request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) an ordinance of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the payments to be made into the Funds and Accounts in respect thereof as provided in Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer (which may be Bond Counsel), addressed to the Trustee that (a) the Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (b) the Issuer has full legal authority under the Act to undertake the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body (provided, clause (b) shall not apply in the case of the issuance of a refunding Series of Bonds); (c) the Assessment Proceedings have been taken in accordance with South Carolina law and that the Issuer has taken all action necessary to levy and impose the Assessments; (d) the Assessments are legal, valid, and binding liens upon the property against which the Assessments are made, superior to all other liens except property taxes; (e) the related Indenture has been duly and validly authorized, approved, and executed by the Issuer; (f) the issuance of the Series of Bonds has been duly authorized and approved by the Council; and (g) the related Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity;

(3) a Consulting Engineer's certificate addressed to the Issuer and the Trustee setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed prior to the issuance of such Series of Bonds, stating, in the signer's opinion, that (a) the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements including the fair market value of the real property and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained;

(4) an originally executed or certified copy of the Supplemental Indenture for such Bonds;

(5) the proceeds of the sale of such Bonds;

(6) any Credit Facility authorized by the Issuer in respect to such Bonds;

(7) one or more ordinance or resolutions of the Issuer relating to the levy of Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions, the enactment of ordinances, and the establishment of all necessary collection procedures, in order to levy and collect Assessments upon the property located within the Improvement District in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(8) an executed opinion of Bond Counsel in substantially the form attached to the offering document for such Series of Bonds;

(9) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(10) in the case of the issuance of a refunding Series of Bonds, a certificate of an Authorized Officer of the Issuer stating (a) the intended use of the proceeds of the issue; (b) any other amounts available for the purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XVI of this Master Indenture, including, without limitation, to pay the costs of issuance of such Bonds; and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(11) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(12) such other documents, certifications and opinions as shall be required by the Supplemental Indenture or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the ordinance described in (1) above may instead be stated in a Supplemental Indenture, duly approved by an ordinance of the Issuer.

[END OF ARTICLE III]

ARTICLE IV

ACQUISITION OF PROJECT

SECTION 4.01. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete or cause the completion of any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

SECTION 4.02. Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations, so long as funds are available from Bond proceeds or from the property owner or other third party. The Issuer shall not be required to provide funds for completion.

[END OF ARTICLE IV]

ARTICLE V

ACQUISITION AND CONSTRUCTION FUND

SECTION 5.01. Acquisition and Construction Fund. The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate accounting in respect of the Costs of any designated portion of a Project. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the applicable Project or portion thereof.

(a) *Deposits*. In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof; and

(ii) The balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof.

Amounts in the Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of a Project or a portion thereof, as applicable, pertaining to the Series of Bonds in question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of such Project, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements*. All payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Acquisition and Construction Fund shall be disbursed by check or draft signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b) and in the applicable Supplemental Indenture for each Series of Bonds. Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of Exhibit D attached hereto. Upon receipt of each such requisition and accompanying certificate, upon which the Trustee may conclusively rely, the

Trustee shall promptly withdraw from the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee for a period of five years from date of receipt, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof.

(c) *Completion of Project.* Unless otherwise specifically provided in a Supplemental Indenture, on the date of completion of the Project, as evidenced by the delivery of a certificate of the Consulting Engineer (the “Completion Date”), the balance in the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project, shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof.

[END OF ARTICLE V]

ARTICLE VI

ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS

SECTION 6.01. Assessments; Lien of Indenture on Pledged Revenues. The Issuer hereby covenants that it shall levy Assessments, and evidence and certify the same to the County Treasurer or shall cause the County Auditor to certify the same on the tax roll to the County Treasurer for collection by the County Treasurer and enforcement by the County Treasurer or the Issuer, pursuant to the Act or any successor statutes, as applicable, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder and Administrative Expenses.

The Issuer shall, within 30 days of receipt thereof, pay to the Trustee for deposit in the Revenue Fund established under Section 6.03 hereof all Assessments received by the Issuer from the County Treasurer from the levy thereof on parcels within the District subject to Assessments; provided, however, that amounts received as prepayments of Assessments shall be deposited directly into the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee in writing at the time of deposit of any amounts received as prepayments of Assessments and shall identify the related Series of Bonds.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

SECTION 6.02. Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under the Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. All moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

SECTION 6.03. Revenue Fund. The Trustee is hereby authorized and directed to establish the Revenue Fund into which the Trustee shall immediately deposit any and all Assessments received from the

County Treasurer from the levy thereof within the District or any portion thereof (other than Assessment prepayments) and any amounts received as the result of any foreclosure or other remedial action for nonpayment of Assessments and other payments required hereunder or under the applicable Supplemental Indenture (unless such Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and the Revenue Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, there shall be deposited or transferred into the Administrative Expenses Fund the portion of the Assessments imposed and collected for Administrative Expenses. The Trustee is authorized to pay such Administrative Expenses upon receipt of a requisition signed by an Authorized Officer;

SECOND, upon receipt but no later than the Business Day preceding the first June 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding June 1, and no later than the Business Day next preceding each June 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding June 1, less any amount on deposit in such Interest Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each Principal Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding Principal Payment Date, less any amount on deposit in the applicable Series Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first December 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding December 1, and no later than the Business Day next preceding each December 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding December 1, less any amount on deposit in the Interest Account not previously credited;

FIFTH, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each December 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next succeeding principal payment date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, an amount equal to the amount, if

any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement; and

SEVENTH, subject to the following paragraph the balance of any moneys remaining after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof; provided, that for so long as the Debt Service Requirements of an Outstanding Series of Bonds for a given calendar year consists solely of interest payments, any excess amounts held for the credit of the Revenue Fund after payment of such Debt Service Requirements shall remain in the Revenue Fund and not be deposited to the applicable Series Account of the Bond Redemption Fund as provided herein. Assessment Prepayments pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

SECTION 6.04. Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and a Series Sinking Fund Account for each Series of Bonds, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture, purchases and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the principal payment date in each of the years set forth in a Supplemental Indenture to the redemption of Bonds of a Series in the amounts, manner and maturities and on the dates set forth in a Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the Series Sinking Fund Account to the purchase by the Issuer of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be

required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of a Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased by the Issuer shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

SECTION 6.05. Debt Service Reserve Fund. The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee for the benefit of each related Series of Bonds; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. As long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall, prior to the Completion Date of a Project, be transferred to the Series Interest Account of the Debt Service Fund relating thereto, and after the Completion Date, be transferred to the related Series Account of the Bond Redemption Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of an Assessment against such lot or parcel, which Assessment is pledged for the payment and security of such Series of Bonds, the excess amount so identified in writing by the Issuer to the Trustee shall be transferred from the Series Account of the Debt Service Reserve Fund to a related Series Account of the Bond Redemption Fund established for such Series of Bonds, as a credit against the principal amount of the prepayment otherwise required to be made by the owner of such lot or parcel. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount

shall be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account of the Bond Redemption Fund. If needed, any additional excess monies in the Debt Service Reserve Fund will also be available to transfer to the Administrative Expenses Fund for the payment of Administrative Expenses.

Whenever for any reason on an Interest Payment Date, principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay the Series of Bonds secured by the Series Account of the Debt Service Reserve Fund.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to this Indenture and available for such purpose. If any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account of the Bond Redemption Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit promptly following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in this Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date, principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee

shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

SECTION 6.06. Bond Redemption Fund. The Trustee is hereby authorized and directed to establish a Bond Redemption Fund and, pursuant to a Supplemental Indenture, one or more Series Accounts therein for each Series of Bonds issued hereunder, into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 7.02, 9.08(c) and 9.11(c) of this Master Indenture. The Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Bond Redemption Fund (including all earnings on investments held in the Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, except for moneys received as prepayments of Assessments pursuant to Section 9.08 below, to make such deposits into the Rebate Fund, if any, as the Issuer may direct the Trustee in writing in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of an Authorized Officer, to call for redemption on each Interest Payment Date on which Bonds of the applicable Series are subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds of the applicable Series as, with the redemption premium, may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture. The Issuer shall pay all expenses in connection with such redemption.

SECTION 6.07. Administrative Expenses Fund. The Trustee is hereby authorized and directed to establish an Administrative Expenses Fund into which shall be deposited moneys in the amounts and at the times provided in Section 6.03 of this Master Indenture. Moneys in the Administrative Expenses Fund shall be used only for the purpose of paying Administrative Expenses.

SECTION 6.08. Drawings on Credit Facility. With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility, in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

SECTION 6.09. Procedure When Funds Are Sufficient to Pay All Bonds of a Series. If at any time the moneys held by the Trustee in the Funds and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, Credit Facility Issuer, the Trustee, at the direction of the Issuer, shall apply the amounts in the Funds and Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

SECTION 6.10. Certain Moneys to Be Held for Series Bondowners Only. Each Series of Bonds issued pursuant to this Master Indenture and a Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

SECTION 6.11. Unclaimed Moneys In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, and amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for the lesser of three (3) years or the maximum date permitted under the escheat laws applicable in the State after the date payment thereof becomes due, the Trustee, upon the written request of the Issuer and certification by the Issuer to the Trustee that the Issuer is not in default with respect to any covenant in the Indenture or the Bonds contained, shall pay such amounts to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published in an authorized newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE VI]

ARTICLE VII

SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

SECTION 7.01. Deposits and Security Therefor. All moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under the Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by the Indenture, and shall be deposited in the trust department of the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof.

SECTION 7.02. Investment or Deposit of Funds. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account in the Debt Service Fund or the Bond Redemption Fund created under any Supplemental Indenture only in Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth herein. All securities securing investments under this Section shall be deposited or held by the trust department of the Trustee as authorized by law with respect to trust funds in the State. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Bond Redemption Fund. Upon request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as a result of the Trustee's negligence or willful misconduct or as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the Revenue Fund. The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Issuer the right to receive brokerage confirmations of security transactions as they occur. The Issuer specifically waives such right to notification to the extent permitted by law and acknowledges that it will receive periodic transaction statements that will detail all investment transactions.

Subject to the provisions of Section 9.26 of this Master Indenture, moneys in any of the Funds and Accounts established pursuant to the Indenture, when held by the Trustee, shall be invested by the Trustee within one (1) Business Day subject to all written directions from the Issuer. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Master Indenture (except arising from the Trustee's negligence or willful misconduct).

Notwithstanding any other provision to the contrary, in the absence of written direction, the Trustee shall hold all Funds and Account uninvested in cash, without liability for interest. The Trustee may

conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder. If, at any time after an investment by the Trustee in an Investment Security, the investment ceases to be an Investment Security, the Trustee shall be so informed in writing by the Issuer and such investment shall be sold or liquidated. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments, including at the time of reinvestment of earnings thereon and whether such investments comply with the requirements of this Master Trust Indenture, and Supplemental Indenture and any related tax regulatory agreement.

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 monies held under this Master Trust Indenture or any Supplemental Indenture unless (i) such agreement is in form and content acceptable to the Trustee in its sole discretion, (ii) any liability of the Trustee under such agreement is limited to loss occasioned by the gross negligence of willful misconduct of the Trustee, and (iii) the Issuer shall pay to the Trustee an additional fee established by the Trustee in accordance with its customary practices.

SECTION 7.03. Valuation of Funds. The Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture on June 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) Business Days after each such valuation date) shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or at the redemption price thereof, whichever is lower, to the extent that any such obligation is then redeemable at the option of the holder.

[END OF ARTICLE VII]

ARTICLE VIII

REDEMPTION AND PURCHASE OF BONDS

SECTION 8.01. Redemption Dates and Prices. The Bonds may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in a Supplemental Indenture.

(a) *Optional Redemption.* Bonds of a Series shall be subject to optional redemption at the written direction of the Issuer, at the times and upon payment of the redemption price therefor as provided in a Supplemental Indenture.

(b) *Extraordinary Mandatory Redemption in Whole or in Part.* Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) [reserved]; (ii) from moneys deposited into the related Series Account of the Bond Redemption Fund following the payment in full of Assessments on any parcel or portion of the lands within the District as a result of any prepayment of Assessments in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) from moneys in excess of the Debt Service Reserve Requirement for a particular Series of Bonds in the Series Account of the Debt Service Reserve Fund transferred to the Series Account of the Bond Redemption Fund pursuant to Section 6.05 hereof; (v) from excess moneys transferred from the Revenue Fund to the applicable Series Account of the Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the applicable Series Account of the Bond Redemption Fund pursuant to Section 9.11(c) hereof following condemnation or the sale of any portion of the District benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.11(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) *Mandatory Sinking Fund Redemption.* Bonds of a Series shall be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the Revenue Fund to the applicable Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer or as provided in Section 8.04 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual aggregate installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

SECTION 8.02. Notice of Redemption and of Purchase. Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed in writing to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the Business Day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;
- (e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and
- (f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be the designated corporate trust office of the Trustee.

If at the time of mailing of notice of an optional redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than 9:30 am on the redemption or purchase date (which day shall be a Business Day), and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Bonds so called for redemption on the

redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

SECTION 8.03. Payment of Redemption Price. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

SECTION 8.04. Partial Redemption of Bonds. Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

[END OF ARTICLE VIII]

ARTICLE IX

COVENANTS OF THE ISSUER

SECTION 9.01. Power to Issue Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders and any Credit Facility Issuer under the Indenture against all claims and demands of all other Persons whomsoever.

SECTION 9.02. Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues. The Issuer shall appoint one or more Paying Agents for such purpose, each such agent to be a bank and trust company or a trust company or a national banking association having trust powers.

THE BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

SECTION 9.03. Enforcement of Payment of Assessments. The Issuer will assess, impose, collect or cause to be collected and enforce the payment of Assessments for the payment of the Bonds in the manner prescribed by the Assessment Proceedings, this Master Indenture, any Supplemental Indenture and all resolutions, ordinances or laws thereunto, and will pay or cause to be paid the proceeds of such Assessments as received to the Trustee in accordance with the provisions hereof.

SECTION 9.04. Delinquent Assessments. The Issuer covenants to furnish, upon written request of any Owner of Bonds (or the Trustee at the written direction thereof), as of April 15 of each year, a list of all Delinquent Assessments and all foreclosure actions currently in progress and the current status of such Delinquent Assessments; provided the requirements hereof may be satisfied by information prepared in the form, covering the period and delivered at the time required by the Issuer Continuing Disclosure Agreement.

SECTION 9.05. Sale of Tax Deed or Foreclosure of Assessment. Collection of Delinquent Assessments shall be accomplished by the Issuer pursuant to the terms of Sections 12-45-180 and 12-51-40, *et seq.* of the S.C. Code (or successor provision thereof). If any property shall be purchased by the forfeited land commission in accordance with Section 12-51-55 of the S.C. Code (or successor provision thereof), and the forfeited land commission subsequently sells such property and remits the proceeds thereof to the County Treasurer, the Issuer shall direct the County Treasurer to transfer any legally available net proceeds of such sale to the Trustee with written directions to deposit such amounts into the Revenue Fund. Not less than ten days prior to the filing of any foreclosure action as herein provided, the Issuer shall cause written notice thereof to be mailed to the Trustee and any designated agents of the Owners of the related Series of Bonds or as provided in the Supplemental Indenture relating to such Series of Bonds. Not less than 30 days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to the Trustee and any designated agent of the Owners of the related Series of Bonds. The Issuer agrees that it will diligently pursue the measures provided by law for sale of property acquired by it.

SECTION 9.06. Other Obligations Payable from Assessments. The Issuer will not issue or incur any obligations payable from the proceeds of Assessments, other than Bonds authorized hereunder, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments other than the pledge of the Trust Estate hereunder.

SECTION 9.07. Books and Records with Respect to Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.14 hereof, the Issuer shall keep books and records for the collection of the Assessments, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The County Administrator or the County Administrator's designee shall annually prepare a written report (which may be in the form and delivered at the time required by the Issuer Continuing Disclosure Agreement) setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time (if available) for the conclusion of such legal proceedings.

SECTION 9.08. Removal of Assessment Liens. Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds the following procedures shall apply in connection with the removal of Assessment liens.

(a) [reserved].

(b) In accordance with the Assessment Roll, at any time any owner of property subject to the Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Assessments by paying to the Issuer a full prepayment of the Assessment on the parcel of real property as specified in Section I of the RMA.

(c) Upon receipt of a prepayment as described in subparagraph (b) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer an affidavit or affidavits, as the case may be, executed

by an Authorized Officer of the Issuer, to the effect that the Assessment has been paid and that such Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer pursuant to this section, the Trustee shall immediately deposit the same into the applicable Series Account of the Bond Redemption Fund to be applied to the redemption of a Series of Bonds in the greatest principal amount possible to be redeemed, plus accrued interest to the applicable redemption date, in accordance with Section 8.01(b)(ii) hereof.

SECTION 9.09. Deposit of Assessments. The Issuer covenants to cause any Assessments collected or otherwise received by it to be deposited with the Trustee within 30 days after receipt by the County thereof with written instructions for deposit into the Revenue Fund (except that amounts received as prepayments of Assessments shall be designated by the Issuer as such upon delivery to the Trustee and shall be deposited into the applicable Series Account of the Bond Redemption Fund with a written directive as to the amount of Bonds to be redeemed).

SECTION 9.10. Construction. Except for certain water and sewer improvements and facilities, mitigation and roadway improvements which shall be constructed outside the District or in easements or rights-of-way, the Issuer covenants that no part of a Project so acquired by the Issuer will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple at the time of such acquisition, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project at the time of such acquisition, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval at the time of such acquisition.

SECTION 9.11. Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds.

(a) Except as otherwise provided in subsection (c) of this Section, the Issuer will carry or cause to be carried, in respect of the Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized or eligible to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(b) At all times, the Issuer shall maintain a practical insurance policy, affording protection against loss caused by damage to or destruction of any component of the Project owned by the Issuer on the same terms and conditions as apply to the Issuer's insurance on other properties owned by it.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of a Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer and the Trustee within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into

such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the Revenue Fund.

SECTION 9.12. Collection of Insurance Proceeds. Copies of all insurance policies referred to in Section 9.11 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the related Series of Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it.

Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, signed by an Authorized Officer approved by the Consulting Engineer, and filed with the Trustee. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

SECTION 9.13. Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided in the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

SECTION 9.14. Books and Records. The Issuer shall keep proper books of record and account in accordance with Generally Accepted Accounting Principles (separate from all other records and accounts), as applicable, in which complete and correct entries shall be made of its transactions relating to the Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to the Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

SECTION 9.15. Observance of Accounting Standards. The Issuer covenants that all the accounts and records of the Issuer relating to the Project, as applicable, will be kept according to Generally Accepted Accounting Principles consistently applied and consistent with the provisions of the Indenture.

SECTION 9.16. Establishment of Fiscal Year . The Issuer has established a Fiscal Year beginning July 1 of each year and ending June 30 of the following year. The reports of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by the Issuer.

SECTION 9.17. Employment of Consulting Engineer; Consulting Engineer's Report. The Issuer shall be entitled, but not required, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Indenture, to employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work (which Consulting Engineer's fees and expenses shall be payable as Administrative Expenses of the District or at the expense of the Developer).

SECTION 9.18. Information to Be Filed with Trustee. The Issuer shall cause to be kept on file with the Trustee at all times copies of the schedules of Assessments levied on all property within the District in respect of the Project. The Issuer shall keep accurate records and books of account with respect to the Project.

SECTION 9.19. Covenant Against Sale or Encumbrance; Exceptions. Subject to Section 9.23 hereof, the Issuer covenants that, (a) except for those improvements comprising the Project that are to be conveyed by the Issuer to another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Project, or any part thereof. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the County Administrator shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the Revenue Fund.

Upon any sale of property relating to the Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

The Issuer may lease or grant easements, franchises or concessions for the use of any part of the Project not incompatible with the maintenance and operation thereof, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of the Revenue Fund.

SECTION 9.20. Fidelity Bonds. Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time.

SECTION 9.21. No Loss of Lien on Pledged Revenues. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement but solely pursuant to the written direction of the Authorized Officer.

SECTION 9.22. Compliance With Other Contracts and Agreements. The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Project and the issuance of the Bonds.

SECTION 9.23. Issuance of Additional Obligations. The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues, except in the ordinary course of business.

SECTION 9.24. Extension of Time for Payment of Interest Prohibited. The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

SECTION 9.25. Further Assurances. The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

SECTION 9.26. Use of Bond Proceeds to Comply with Internal Revenue Code. The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder which would cause such Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code and or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of each Series of Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Bonds.

SECTION 9.27. Continuing Disclosure.

(a) The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Issuer Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer or the Developer (if obligated pursuant to the applicable Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default.

(b) The Issuer covenants, so long as and to the extent required pursuant to Section 11-1-85 of the S.C. Code to file with a central repository for availability in the secondary bond market when requested:

(i) an annual independent audit, within thirty (30) days of the Issuer’s receipt of the audit; and

(ii) event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of the aggregate Pledged Revenues of the Issuer or the Issuer’s tax base.

(c) The only remedy for failure by the Issuer to comply with the Issuer Continuing Disclosure Agreement or the covenants included in paragraph (b) of this Section 9.27 shall be an action for specific

performance of this covenant; and failure to comply shall not constitute a default or an “Event of Default” under the Master Indenture or any Supplemental Indenture. Neither the Trustee, the Registrar nor the Paying Agent shall have any responsibility to monitor the Issuer’s or Developer’s compliance with the applicable Continuing Disclosure Agreement or the covenants included in paragraph (b) of this Section 9.27, and the Issuer specifically reserves the right to amend or delete its covenants in the Issuer Continuing Disclosure Agreement or in paragraph (b) of this Section 9.27 to reflect any change in Section 11-1-85 of the S.C. Code or federal law, as applicable, without the consent of the Registrar and the Paying Agent or the Registered Holders of any Series of Bonds.

[END OF ARTICLE IX]

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.01. Events of Default and Remedies. Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

SECTION 10.02. Events of Default Defined. Each of the following shall be an “Event of Default” under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee which notice shall be given at the written request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture.

SECTION 10.03. No Acceleration. No Series of Bonds issued under this Master Indenture shall be subject to acceleration.

SECTION 10.04. Legal Proceedings by Trustee.

If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

SECTION 10.05. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

SECTION 10.06. Bondholders May Direct Proceedings. The Holders of a majority in aggregate principal amount of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

SECTION 10.07. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

SECTION 10.08. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

SECTION 10.09. Remedies Not Exclusive. Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 10.10. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.11. Application of Moneys in Event of Default. Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following priority:

(a) to the payment of the costs of the Trustee and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including counsel fees and any disbursements of the Trustee and the Paying Agent and payment of unpaid fees owed to the Trustee.

(b) unless the principal of all the Bonds of such Series shall have become or shall have been declared due and payable:

FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

(c) If the principal of all Bonds of a Series shall have become or shall have been declared due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to

subsection (a) hereof and Section 11.04 hereof) and the ordinance of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

SECTION 10.12. Trustee's Right to Receiver; Compliance with Act. The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State.

SECTION 10.13. Trustee and Bondholders Entitled to all Remedies under Act. It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

SECTION 10.14. Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

[END OF ARTICLE X]

ARTICLE XI

THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

SECTION 11.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto, the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee for the Bonds. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee. The Trustee further agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement to which it is a party for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, to the extent applicable.

SECTION 11.02. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

SECTION 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder; the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected and supervised by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct.

SECTION 11.04. Compensation and Indemnity. The Issuer shall pay (but solely from the Trust Estate) the Trustee reasonable compensation for its services hereunder, and also all its expenses and disbursements, and, to the extent permitted under applicable law, shall indemnify and hold the Trustee harmless (but solely from the Trust Estate) against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys coming into its hands and payable to the Issuer but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. This provision shall survive the termination of the Indenture and, as to any Trustee, its removal or resignation as Trustee.

SECTION 11.05. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder. The Trustee shall have no duty or obligation whatsoever to enforce the collection of Assessments or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability is limited to the proper accounting for such funds as it shall actually receive. No provision in this Master Indenture 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 its rights or powers.

SECTION 11.06. Notice of Default; Right to Investigate. The Trustee shall give written notice by first-class mail to registered Holders of a Series of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a

default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds of a Series.

SECTION 11.07. Obligation to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Holders of at least a majority of the aggregate principal amount of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture if in its opinion such action may tend to involve expense or liability, and unless it is also furnished with indemnity satisfactory to it.

SECTION 11.08. Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be an Authorized Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

SECTION 11.09. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

SECTION 11.10. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

SECTION 11.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with an Authorized Officer of the Issuer not less than sixty (60) days before the date when such resignation is to take effect; provided, however, that (i) if any Outstanding Bonds are not registered Bonds, notice of such resignation is published at least once a week for three (3) consecutive calendar weeks in at least one authorized newspaper and at least once in The Bond Buyer, or its successor, if any, the first publication to appear not less than three (3) weeks prior to the date when the resignation is to take effect; and that (ii) if any Outstanding Bonds are registered Bonds, notice of such resignation shall be sent by first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent, Registrar, and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

SECTION 11.12. Removal of Trustee. The Trustee may be removed at any time upon not less than 30 days written notice by either (a) the Issuer, if no default exists under the Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by an Authorized Officer, shall be delivered promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, and Credit Facility Issuer, if any.

The Trustee may also 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 the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding.

SECTION 11.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and the Issuer or the successor Trustee shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Holders of a majority in aggregate principal amount of all Bonds then Outstanding may appoint a successor Trustee.

SECTION 11.14. Qualification of Successor. A successor Trustee shall be a national bank with trust powers or a state-chartered bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

SECTION 11.15. Instruments of Succession. Any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

SECTION 11.16. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee or its corporate trust department shall be a party, or the sale by the Trustee of all or substantially all of the corporate trust business, shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI.

SECTION 11.17. Extension of Rights and Duties of Trustee to Paying Agent and Registrar. The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09 and 11.10 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of the Indenture applicable to the Paying Agent and Registrar, respectively.

SECTION 11.18. Resignation of Paying Agent or Registrar. The Paying Agent or Registrar may resign and be discharged of the duties created by the Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

SECTION 11.19. Removal of Paying Agent or Registrar. The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

SECTION 11.20. Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

SECTION 11.21. Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by the Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

SECTION 11.22. Judicial Appointment of Successor Paying Agent or Registrar. In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in

the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the successor Registrar or Paying Agent to the Issuer, the Trustee, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

SECTION 11.23. Acceptance of Duties by Successor Paying Agent or Registrar. Any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

SECTION 11.24. Successor by Merger or Consolidation. Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, shall be the successor Paying Agent or Registrar under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

[END OF ARTICLE XI]

ARTICLE XII

ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS

SECTION 12.01. Acts of Bondholders; Evidence of Ownership of Bonds. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

[END OF ARTICLE XII]

ARTICLE XIII

AMENDMENTS AND SUPPLEMENTS

SECTION 13.01. Amendments and Supplements Without Bondholders' Consent. This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by an ordinance of the Issuer filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;

(c) to authorize the issuance of any Series of Bonds;

(d) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County, or any department, agency or branch thereof; provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

(e) to make such changes as may be necessary in order to reflect amendments to the Act so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

SECTION 13.02. Amendments With Bondholders' Consent. Subject to the provisions of Section 13.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture and any Supplemental Indenture approved by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then outstanding and secured by such Supplemental Indenture in the case of Amendment of a Supplemental Indenture; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

SECTION 13.03. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join in the execution and delivery of any supplemental indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel that such supplemental indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

[END OF ARTICLE XIII]

ARTICLE XIV

DEFEASANCE

SECTION 14.01. Defeasance. When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in an ordinance of the Issuer (the “Escrow Agent”) moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release 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 remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

SECTION 14.02. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years (or such shorter period of time permitted under any applicable escheat laws of the State) after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published in an authorized newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

[END OF ARTICLE XIV]

ARTICLE XV

MISCELLANEOUS PROVISIONS

SECTION 15.01. Limitations on Recourse. No personal recourse shall be had for any claim based on the Indenture or the Bonds against any member of the Council or any officer, employee or agent of the Issuer, past, present or future, either directly or through the Issuer 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.

The Bonds are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

SECTION 15.02. Payment Dates. In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price 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 due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 15.03. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

SECTION 15.04. Illegal Provisions Disregarded. If any term of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

SECTION 15.05. Substitute Notice. If for any reason it shall be impossible to make duplication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 15.06. Notices; Electronic Signatures. Any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

- (a) As to the Issuer –

County Administrator
Lancaster County, South Carolina
Post Office Box 1809
Lancaster, South Carolina 29721-1809

(b) As to the Trustee -

U.S. Bank Trust Company, National Association
1441 Main Street, Suite 775
Columbia, South Carolina 29201
Attn: Corporate Trust Department

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent.

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Bondholder and the agents and representatives thereof as evidence in writing.

Notwithstanding any other provision to the contrary, the Trustee shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Trustee Notice") received pursuant to this Master Trust Indenture or any Supplemental Indenture by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the person sending such Trustee Notice is, in fact, a person authorized to do so. Electronic signatures believed by the Trustee to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to the Trustee) shall be deemed original signatures for all purposes. The Issuer assumes all risks arising out of the use of electronic signatures and electronic methods to send Trustee Notices to the Trustee, including without limitation the risk of the Trustee acting on an unauthorized Trustee Notice and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that a Trustee Notice in the form of an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any such electronic Trustee Notice.

SECTION 15.07. Controlling Law. The Indenture shall be governed by and construed in accordance with the laws of the State of South Carolina.

SECTION 15.08. Successors and Assigns. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15.09. Headings for Convenience Only. The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 15.10. Counterparts. This Master Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 15.11. Appendices and Exhibits. Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

(Signature page to follow)

IN WITNESS WHEREOF, Lancaster County, South Carolina has caused this Master Trust Indenture to be executed by the Chairman of its County Council and its seal to be hereunto affixed and attested by the Clerk to Council and U.S. Bank Trust Company, National Association, has caused this Master Trust Indenture to be executed by one of its authorized officers, all as of the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

(SEAL)

ATTEST

Clerk to Council

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

By: _____
Its: _____

EXHIBIT A

**LEGAL DESCRIPTION OF
ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT**

The real property included within the Roselyn Residential Improvement District (the “District”) is located in the County and is generally located between Highway 521 and Old Hickory Road, slightly south of W. North Corner Road, as further identified in the following table.

| Parcel | Owner | Acres |
|----------------|----------------------------------|----------|
| 0044-00-024.01 | Lancaster County, South Carolina | 84.279 |
| 0044-00-024.00 | Lennar Carolinas, LLC | 1,235.50 |
| 0045-00-004.01 | Lennar Carolinas, LLC | 76.05 |

The District is approximately 1,395.829 acres in total.

EXHIBIT B

DESCRIPTION OF THE PROJECT

The Project includes the following improvements:

| |
|---|
| <u>Road Infrastructure</u> |
| Roselyn Avenue District |
| Intersection of Norma Forest Road and Highway 521 |
| Intersection of Roselyn Avenue and Highway 521 |
| Intersection of North Corner and Highway 521 |
| Intersection of Roselyn Avenue and Old Hickory Road |
| Intersection of Old Hickory Road and Highway 5 (Rock Hill Highway) |
| |
| <u>Regional Park</u> |
| |
| <u>Water and sewer infrastructure</u> |
| On site (within the District) water system and sewer system infrastructure, including: a regional pump station, an onsite pump station, and onsite force main and truck lines |
| Offsite force main (outside of the District) |
| Onsite water and sewer lines throughout the District |

The improvements described above are described in more detail in the Improvement Plan and the Engineer's Report originally delivered by the Developer to the County.

EXHIBIT C

FORM OF BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to Lancaster County, South Carolina, or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
LANCASTER COUNTY, SOUTH CAROLINA
ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BOND, SERIES _____**

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

Registered Owner:

Principal Amount:

Lancaster County, South Carolina (the “Issuer”), on behalf of the Roselyn Residential Improvement District (the “District”), created pursuant to Title 6, Chapter 35 of the Code of Laws of South Carolina 1976, as amended (the “Act”), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns (the “Owner”), on the Maturity Date shown hereon, unless this bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the hereinafter defined Indenture) shall have been duly made or provided for, the Principal Amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date (as defined herein) to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on June 1 and December 1 of each year (each, an “Interest Payment Date”), commencing on _____, 202____, until payment of said Principal Amount has been made or provided for, at the Interest Rate per annum set forth above. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the 15th day next preceding such Interest Payment Date (the “Record Date”); provided, however, that on or after the occurrence and continuance of an Event of Default under Section 10.02(a) of the Indenture relating to a failure to pay Debt Service (as defined in the Indenture), when due, the payment of interest and principal or Redemption Price or Sinking Fund Installments (as such terms are defined in the Indenture) shall be made by the Paying Agent (as defined herein) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than 15 and not less than ten days prior to the date of such proposed

payment, appears on the registration books of the Registrar as the Owner of this bond. Any payment of principal, Maturity Amount (as defined in the Indenture) or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"). Payment of interest shall be made by check or draft mailed by the Paying Agent and Registrar (or by wire transfer to an account within the continental United States, and at the expense of, the Owner if such Owner requests such method of payment in writing on or prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the Owner owns not less than \$1,000,000 in aggregate principal amount of the hereafter defined Bonds). Interest on this bond will be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a duly authorized issue of bonds of the Issuer designated "Roselyn Residential Improvement District Assessment Revenue Bonds, Series _____" in the aggregate principal amount of \$_____ (the "Bonds"), issued under a Master Trust Indenture dated as of July 1, 2025 and a _____ Supplemental Indenture, dated as of _____ 1, _____ (collectively the "Indenture"), each between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds are issued for the purpose of (i) financing all or a portion of the costs of acquisition, construction and equipping the roads, sanitary sewer system, water system, and other public improvements in the District (the "_____ Project"); (ii) paying certain costs associated with the issuance of the Bonds; (iii) making deposits into the Series Account of the Debt Service Reserve Fund established for the benefit of the Bonds; and (iv) paying a portion of the interest to become due on the Bonds.

Terms not specifically defined herein have the definitions given such terms in the Indenture.

THIS BOND IS A SPECIAL OBLIGATION OF THE ISSUER. NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY STATE OF SOUTH CAROLINA (THE "STATE") CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE). THIS BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DOES NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE ISSUER. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE ISSUER OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, ANY SUPPLEMENTAL INDENTURE OR THIS BOND. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, ANY SUPPLEMENTAL INDENTURE OR THIS BOND, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE TRUST ESTATE, ALL AS PROVIDED IN THE INDENTURE.

This bond is issued under and pursuant to the Constitution and laws of the State, including the Act and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the Issuer with respect to the levy and collection of Assessments, the terms and conditions under which the Bonds are or may be

issued, the rights, duties, obligations and immunities of the Issuer and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this bond, the Owner assents to all of the provisions of the Indenture. The Bonds are equally and ratably secured by the Trust Estate, without preference or priority of one bond over another. The Indenture permits the issuance of additional Bonds (as defined in the Indenture) ranking on a parity with the Bonds as to the lien and pledge of the Trust Estate. Additional Bonds may also be issued for the purposes of refunding Outstanding Bonds.

The Bonds are issuable only as registered bonds without coupons in current interest form in denominations of [\$1,000][subject to specific Supplemental Indenture] or any integral multiple thereof (an "Authorized Denomination"). This bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as Registrar (the "Registrar"), upon surrender of this bond, accompanied by an assignment and a written instrument of transfer in form satisfactory to the Registrar, subject to such reasonable regulations as the Issuer or the Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Registrar in Columbia, South Carolina, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Bonds are subject to redemption at the option of the Issuer on and after December 1, _____, in whole or in part at any time at a Redemption Price equal to _____% of the principal amount of the Bonds to be redeemed for the period until _____ 1, _____, and thereafter at par, in each case plus accrued interest to the date fixed for redemption.

The Bonds are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series _____ Sinking Fund Account in satisfaction of Sinking Fund Installments at a Redemption Price equal to 100 percent of the principal amount thereof, without premium, together with accrued interest to the date of redemption on December 1 of the years and in the principal amounts set forth below:

| <u>Year (December 1)</u> | <u>Principal Amount</u> | <u>Year (December 1)</u> | <u>Principal Amount</u> |
|--------------------------|-------------------------|--------------------------|-------------------------|
| | | | |
| | | | |

Any Bonds that are purchased by the Issuer with amounts held to pay a Sinking Fund Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Sinking Fund Installment of the bonds. In addition, the above Sinking Fund Installments are subject to recalculation, as provided in the Indenture, as the result of certain purchases or the redemption of the bonds other than in accordance with scheduled Sinking Fund Installments so as to reamortize the remaining Outstanding principal of the bonds.

The Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Interest Payment Date, in the manner determined by the Registrar, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) from moneys deposited into the Bond Redemption Fund following the payment in full of Assessments on any parcel or portion of lands within the District in accordance with the provisions of Section 9.08(a) of the Master Indenture;

(b) from moneys deposited into the Bond Redemption Fund following the payment in full of Assessments on any parcel or portion of the lands within the District as a result of any prepayment of Assessments in accordance with Section 9.08(b) of the Master Indenture;

(c) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Master Indenture;

(d) from moneys in excess of the Debt Service Reserve Requirement for a particular Series of Bonds in the Series Account of the Debt Service Reserve Fund transferred to the Series Account of the Bond Redemption Fund pursuant to Section 6.05 of the Master Indenture;

(e) from excess moneys transferred from the Revenue Fund to the applicable Series Account of the Bond Redemption Fund in accordance with Section 6.03 of the Master Indenture;

(h) from moneys, if any, on deposit in the applicable Series Account of the Bond Redemption Fund pursuant to Section 9.11(c) of the Master Indenture following condemnation or the sale of any portion of the District benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.11(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; and

(i) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) of the Master Indenture.

If less than all of the Bonds shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

The Trustee shall cause notice of each redemption, either in whole or in part, to be mailed at least 30 but not more than 60 days prior to the redemption or purchase date to all Owners of the bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the 5th day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the bonds for which notice was duly mailed in accordance with the Indenture. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default (as defined

in the Indenture) under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for three years (or such shorter period of time permitted under any applicable escheat laws of the State) after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall at the written request of the Issuer be repaid by the Trustee or the Paying Agent to the Issuer, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This bond is issued with the intent that the laws of the State shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State and the ordinances and resolutions of the Issuer to happen, exist and be performed precedent to and in the issuance of this bond and the execution of the Indenture, have happened, exist and have been performed as so required. This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Lancaster County, South Carolina, has caused this bond to bear the signature of its Chairman of County Council and the official seal of the County to be impressed, imprinted or reproduced hereon and attested by the signature of the Clerk to County Council.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

(SEAL)

ATTEST

Clerk to County Council

FORM OF CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds designated herein, described in the within-mentioned Indenture.

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

By: _____
Authorized Signatory

Date of Authentication:

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ (Name and address of Transferee) the within bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the registered holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____
(State)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

Additional abbreviations may also be used though not in above list.

EXHIBIT D

FORM OF REQUISITION

The undersigned, an Authorized Officer of Lancaster County, South Carolina (the “Issuer”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture dated as of July 1, 2025 (the “Master Indenture”) between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state costs of issuance, if applicable):

(E) The undersigned hereby certifies that **[the amounts set forth above have been incurred by the Issuer, that each disbursement set forth above is a proper charge against the Series Account of the Acquisition and Construction Fund established for the \$[_____] Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025, that each disbursement set forth above was incurred in connection with the acquisition and construction of the Project and each represents a Cost of the Project, and has not previously been paid] OR [this requisition is for costs of issuance payable from the Acquisition and Construction Fund established for the \$[_____] Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 that has not previously been paid].**

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

Attached hereto is the final payment application(s) from the vendor with respect to the specific components of the Project which disbursement is hereby requested.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Authorized Officer

**[CONSULTING ENGINEER'S APPROVAL FOR REQUEST OTHER THAN FOR COSTS OF
ISSUANCE AND CAPITALIZED INTEREST]**

The undersigned _____ (the "Consulting Engineer") hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer attached hereto as an exhibit.

Consulting Engineer

[THIS PAGE INTENTIONALLY LEFT BLANK]

FIRST SUPPLEMENTAL

TRUST INDENTURE

BETWEEN

LANCASTER COUNTY, SOUTH CAROLINA

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

Dated as of July 1, 2025

Authorizing and Securing

\$ _____
ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BONDS
SERIES 2025

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| ARTICLE I DEFINITIONS | 3 |
| ARTICLE II THE SERIES 2025 BONDS..... | 9 |
| SECTION 2.01. Amounts and Terms of Series 2025 Bonds; Issue of Series 2025 Bonds | 9 |
| SECTION 2.02. Execution | 9 |
| SECTION 2.03. Authentication | 9 |
| SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2025 Bonds..... | 9 |
| SECTION 2.05. Debt Service on the Series 2025 Bonds | 10 |
| SECTION 2.06. Disposition of Series 2025 Bond Proceeds | 10 |
| SECTION 2.07. Book-Entry Form of Series 2025 Bonds..... | 11 |
| SECTION 2.08. Appointment of Registrar and Paying Agent..... | 12 |
| SECTION 2.09. Special Obligations | 12 |
| ARTICLE III REDEMPTION OF SERIES 2025 BONDS..... | 12 |
| SECTION 3.01. Redemption Dates and Prices | 12 |
| SECTION 3.02. Notice of Redemption | 15 |
| ARTICLE IV ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS..... | 16 |
| SECTION 4.01. Establishment of Certain Funds and Accounts | 16 |
| SECTION 4.02. Disbursements From Revenue Fund Related to Series 2025 Bonds | 19 |
| SECTION 4.03. Power to Issue Series 2025 Bonds and Create Lien | 20 |
| SECTION 4.04. Series 2025 Project to Conform to Plans and Specifications; Changes..... | 20 |
| SECTION 4.05. Prepayments; Removal of Special Assessment Liens..... | 20 |
| ARTICLE V MISCELLANEOUS PROVISIONS..... | 22 |
| SECTION 5.01. Interpretation of Supplemental Indenture | 22 |
| SECTION 5.02. Amendments..... | 22 |
| SECTION 5.03. Counterparts | 22 |
| SECTION 5.04. Appendices and Exhibits | 22 |
| SECTION 5.05. Payment Dates..... | 22 |
| SECTION 5.06. No Rights Conferred on Others | 22 |
| EXHIBIT A DESCRIPTION OF THE DISTRICT AND THE SERIES 2025 PROJECT | |
| EXHIBIT B FORM OF SERIES 2025 BOND | |

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the “First Supplemental Indenture”), dated as of July 1, 2025 between LANCASTER COUNTY, SOUTH CAROLINA (the “Issuer”), a body politic and political subdivision organized and existing under the laws of the State of South Carolina, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States and having a corporate trust office in Columbia, South Carolina, as trustee (said national banking association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer is a body politic and political subdivision organized and existing under the laws of the State of South Carolina; and

WHEREAS, the Improvement District established by the Issuer is described more fully in Exhibit A to the Master Indenture dated as of July 1, 2025, between the Issuer and the Trustee (the “Master Indenture”), referred to as the “District” or the “Improvement District” and consisting of approximately 1,395 acres of land located within the Improvement District, as such premises may be further expanded or contracted pursuant to the Act; and

WHEREAS, the Improvement District has been established for the purposes of financing a portion of the cost of the Improvements as identified in the Improvement Plan by the imposition of assessments, by special district bonds, by revenue bonds of the county, or by any combination of such funding sources; and

WHEREAS, the Issuer has determined to undertake, in one or more stages, certain improvements (as further described in Exhibit A hereto, the “Series 2025 Project”); and

WHEREAS, pursuant to the Master Indenture and this First Supplemental Indenture (hereinafter sometimes collectively referred to as the “Indenture”), the Issuer has determined to issue \$[] aggregate principal amount of Lancaster County, South Carolina, Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025 (the “Series 2025 Bonds”); and

WHEREAS, the proceeds of the Series 2025 Bonds will be used to provide funds for (i) the payment of a portion of the Costs of the Series 2025 Project, (ii) the payment of interest on the Series 2025 Bonds through December 1, 2025, (iii) the funding of the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement (as defined herein), (iv) payment of the costs of issuance of the Series 2025 Bonds, and (v) payment of certain Administrative Expenses; and

WHEREAS, the Series 2025 Bonds will be secured by a pledge of the Trust Estate (as hereinafter defined) to the extent provided herein;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2025 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2025 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2025 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, National Association, as Trustee, its

successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Trust Estate (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2025 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture with respect to the Series 2025 Bonds.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2025 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one Series 2025 Bond over any other Series 2025 Bond, all as provided in the Indenture.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2025 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2025 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

ARTICLE I

DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Acquisition and Project Funding Agreement” shall mean one or more improvement acquisition agreements relating to the Series 2025 Project, between the Developer and the Issuer.

“Assessment Roll” shall mean the Assessment Report (including the RMA) prepared by MuniCap, Inc. and adopted by the Council of the Issuer on December 7, 2020, as amended by the Council of the Issuer on November 14, 2022, and as further amended and supplemented from time to time.

“Assessments” shall mean all non *ad valorem* assessments, including Delinquent Assessments, imposed and collected, including penalties, interest and expenses collected by the Issuer, in connection with the District pursuant to the Act and the Assessment Roll.

“Authorized Denomination” shall mean, with respect to the Series 2025 Bonds, minimum denominations of \$25,000 and any integral multiple of \$5,000 in excess thereof.

“Capitalized Interest” shall mean interest due or to become due on the Series 2025 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Series 2025 Bonds, respectively.

“Continuing Disclosure Agreements” shall mean, collectively, the Issuer Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement.

“Developer” shall mean Lennar Carolinas, LLC, and its successors and assigns.

“Developer Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2025 Bonds, dated the date of closing, between the Developer and MuniCap, Inc., as dissemination agent, in connection with the issuance of the Series 2025 Bonds.

“Improvement Fee” shall mean the improvement fee in an amount equal to four percent of the principal amount of the Series 2025 Bonds, which is required to be paid by the owner of the real property in the District to the Issuer upon issuance of the Series 2025 Bonds pursuant to Section 6-35-100 of the S.C. Code.

“Indenture” shall mean, collectively, the Master Indenture and this First Supplemental Indenture.

“Interest Payment Date” shall mean June 1 and December 1 of each year, commencing December 1, 2025.

“Issuer” shall mean Lancaster County, South Carolina.

“Issuer Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement for the benefit of the owners of the Series 2025 Bonds, dated the date of closing, between the Issuer and MuniCap, Inc., as dissemination agent, in connection with the issuance of the Series 2025 Bonds.

“Master Indenture” shall mean the Master Trust Indenture, dated as of July 1, 2025 by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2025 Bonds (as opposed to supplements or amendments relating to Series of Bonds other than the Series 2025 Bonds as specifically defined in this First Supplemental Indenture).

“Ordinance” shall mean Ordinance No. 2022-1825 of the Issuer enacted November 14, 2022, pursuant to which the Issuer authorized the issuance of not exceeding \$15,000,000 aggregate principal amount of its assessment bonds to finance (i) the payment of a portion of the Costs of the Series 2025 Project, (ii) the payment of interest on the Series 2025 Bonds through December 1, 2025, (iii) the funding of the Series 2025 Debt Service Reserve Account, and (iv) payment of the costs of issuance of the Series 2025 Bonds.

“Paying Agent” shall mean U.S. Bank Trust Company, National Association, and its successors and assigns as Paying Agent hereunder.

“Prepayment” shall mean the payment by any owner of property of the amount of Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the Assessment Proceedings and the Assessment Roll. “Prepayments” shall include, without limitation, the Series 2025 Prepayment Principal.

“Principal Payment Date” shall mean June 1 of each year, commencing June 1, [_____].

“Registrar” shall mean U.S. Bank Trust Company, National Association, and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“RMA” shall mean the Rate and Method of Apportionment of Assessments attached as an exhibit to the Assessment Roll, as amended from time to time.

“Series 2025 Account” or “Series 2025 Accounts” shall mean any account established pursuant to this First Supplemental Trust Indenture.

“Series 2025 Acquisition and Construction Account” shall mean the Account so designated, established as a separate account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2025 Bonds” shall mean the \$[_____] aggregate principal amount of Lancaster County, South Carolina, Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025, or such other appropriate series designation, to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this First Supplemental Indenture, and secured and authorized by the Master Indenture and this First Supplemental Indenture.

“Series 2025 Capitalized Interest Sub-account” shall mean the sub-account so designated, established as a separate sub-account within the Series 2025 Interest Account of the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

“Series 2025 Completion Date” shall mean the date of completion of the Series 2025 Project, as evidenced by the delivery to the Trustee of a certificate of the Consulting Engineer and an

acknowledgement by the County and the Developer that the Series 2025 Project has been transferred to the County.

“Series 2025 Costs of Issuance Sub-account” shall mean the sub-account so designated, established as a separate sub-account within the Series 2025 Acquisition and Construction Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2025 Debt Service Reserve Account” shall mean the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

“Series 2025 Debt Service Reserve Requirement” shall mean, with respect to the Series 2025 Bonds, at the time of issuance, an amount equal to 50% of the average annual Debt Service Requirement for Outstanding Series 2025 Bonds.

“Series 2025 Fund” shall mean any fund established pursuant to this First Supplemental Trust Indenture and the Revenue Fund and the Administrative Expenses Fund.

“Series 2025 General Account” shall mean the Account so designated, established as a separate account under the Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2025 Interest Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to section 4.01(d) of this First Supplemental Indenture.

“Series 2025 Prepayment Account” shall mean the Account so designated, established as a separate account within the Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2025 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Assessments being prepaid.

“Series 2025 Principal Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

“Series 2025 Project” shall mean the planning, financing, acquisition, construction, equipping and installation of water and wastewater facilities, roads and roadway improvements, and related equipment, a regional park and such other improvements as allowed under the terms of the Act and as may be approved by the County Council (the “Improvements”), pursuant to the Act for the special benefit of the District as further described in Exhibit A hereto.

“Series 2025 Sinking Fund Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

“Series 2025 Sub-account” or “Series 2025 Sub-accounts” shall mean any sub-account established pursuant to this First Supplemental Indenture.

“Supplemental Indenture” shall mean this First Supplemental Trust Indenture, dated as of July 1, 2025, by and between the Issuer and the Trustee, as supplemented or amended.

“Tax Certificate” shall mean that certain Federal Tax Certificate, including arbitrage rebate covenants, of the Issuer, dated the date of closing.

“Trust Estate” shall have the meaning set forth in the Master Indenture; provided, that for purposes hereof, “Pledged Funds” shall only include such Series 2025 Accounts (including Series 2025 Sub-accounts) and Series Funds.

The words “hereof”, “herein”, “hereto”, “hereby”, and “hereunder” (except in the forms of Series 2025 Bonds), refer to the entire Indenture.

Every “request”, “requisition”, “order”, “demand”, “application”, “notice”, “statement”, “certificate”, “consent”, or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Authorized Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

[End of Article I]

ARTICLE II

THE SERIES 2025 BONDS

SECTION 2.01. Amounts and Terms of Series 2025 Bonds; Issue of Series 2025 Bonds. No Series 2025 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article II and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2025 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$[_____]. The Series 2025 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2025 Bonds shall be issued substantially in the form attached hereto as Exhibit B with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Ordinance. The Issuer shall issue the Series 2025 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2025 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution and Authentication. The Series 2025 Bonds shall be executed by the Issuer as set forth in the Master Indenture. The Series 2025 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2025 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.033. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2025 Bonds.

(a) The Series 2025 Bonds are being issued hereunder in order to provide funds (i) for the payment of a portion of the Costs of the Series 2025 Project, (ii) for the payment of interest on the Series 2025 Bonds through December 1, 2025, (iii) to fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement, and (iv) to pay the costs of issuance of the Series 2025 Bonds. The Series 2025 Bonds shall be designated "Lancaster County, South Carolina, Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2025 Bonds shall be dated as of their date of delivery. Interest on the Series 2025 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2025 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a June 1 or December 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to December 1, 2025, in which case from July __, 2025, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2025 Bonds, the principal or Redemption Price of the Series 2025 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2025 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book entry only system of registration of the Series 2025 Bonds, the payment of

interest on the Series 2025 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2025 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2025 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2025 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee 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 of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2025 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.044. Debt Service on the Series 2025 Bonds.

(a) The Series 2025 Bonds will mature on June 1, in the years and principal amounts, and bear interest at the rates, all as set forth in the table below, subject to the right of prior redemption in accordance with their terms:

| <u>YEAR (JUNE 1)</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> | <u>YEAR (JUNE 1)</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> |
|----------------------|-----------------------------|----------------------|----------------------|-----------------------------|----------------------|
| 2030 | | | 2043 | | |
| 2031 | | | 2044 | | |
| 2032 | | | 2045 | | |
| 2033 | | | 2046 | | |
| 2034 | | | 2047 | | |
| 2035 | | | 2048 | | |
| 2036 | | | 2049 | | |
| 2037 | | | 2050 | | |
| 2038 | | | 2051 | | |
| 2039 | | | 2052 | | |
| 2040 | | | 2053 | | |
| 2041 | | | 2054 | | |
| 2042 | | | | | |

(b) Interest on the Series 2025 Bonds will be computed in all cases on the basis of a 360 day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2025 Bonds on the day before the default occurred.

SECTION 2.055. Conditions to Issuance of Series 2025 Bonds. The Series 2025 Bonds shall be executed in the manner set forth herein and delivered to the Trustee for authentication, and the Trustee shall authenticate and deliver an amount of the Series 2025 Bonds for original issue, to the Underwriter, upon receipt by the Trustee of the following documents:

- (1) An originally executed or certified copy of the Master Indenture, this First Supplemental Indenture, the Continuing Disclosure Agreements, Acquisition and Project Funding Agreement;
- (2) An order of the Issuer to the Trustee to authenticate the Series 2025 Bonds and deliver said Series 2025 Bonds to the Underwriter; and
- (3) A letter executed by the Underwriter, confirming that the Series 2025 Bonds are being purchased by “accredited investors” (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended).

When the documents specified above have been filed with the Trustee, and when the Series 2025 Bonds shall have been executed and authenticated as required by this First Supplemental Indenture, the Trustee shall deliver the Series 2025 Bonds to or upon the order of the Underwriter.

SECTION 2.06. Disposition of Series 2025 Bond Proceeds.

(a) The net proceeds of sale of the Series 2025 Bonds of \$[] (representing the par amount thereof, [OID/OIP] less an Underwriter's discount allocable to the Series 2025 Bonds of \$[]) shall as soon as practicable upon the delivery thereof to the Trustee by the Issuer be applied as follows:

(i) \$[] representing Capitalized Interest on the Series 2025 Bonds shall be deposited in the Series 2025 Capitalized Interest Sub-account of the Series 2025 Interest Account within the Debt Service Fund;

(ii) \$[] representing estimated Administrative Expenses shall be deposited in the Administrative Expenses Fund to be used for the payment of Administrative Expenses during the period from the date of issuance through [] 1, [];

(iii) \$[], in an amount equaling the Series 2025 Debt Service Reserve Requirement, shall be deposited in the Series 2025 Debt Service Reserve Account of the Debt Service Reserve Fund;

(iv) \$[] constituting the costs of issuance of the Series 2025 Bonds shall be deposited in the Series 2025 Costs of Issuance Sub-account of the Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund to be disbursed for costs of issuance as set forth in Section 4.01(a) herein; and

(v) \$[] constituting all remaining proceeds of the Series 2025 Bonds, shall be deposited in the Series 2025 Acquisition and Construction Account within the Acquisition and Construction Fund to be applied in accordance with Article VI of the Master Indenture and Section 4.01 hereof.

SECTION 2.07. Book-Entry Form of Series 2025 Bonds. The Series 2025 Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York,

New York (“DTC”), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer executed a blanket letter of representations dated December 14, 1999 with DTC providing for such book-entry-only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2025 Bonds in the form of fully registered Series 2025 Bonds in accordance with the instructions from Cede & Co. and the rules and procedures of DTC on file with the U.S. Securities and Exchange Commission.

SECTION 2.08. Appointment of Registrar and Paying Agent; Transfer Restrictions. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2025 Bonds, and hereby appoints U.S. Bank Trust Company, National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, National Association, hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges. The Issuer hereby appoints U.S. Bank Trust Company, National Association, as Paying Agent for the Series 2025 Bonds. U.S. Bank Trust Company, National Association, hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

The Series 2025 Bonds shall be initially purchased by the Underwriter, which has represented in the letter described in Section 2.05, among other things, that it, and any subsequent purchaser of the Series 2025 Bonds from the Underwriter, constitutes an “accredited investor” (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended). The Series 2025 Bonds may be transferred as provided in Section 2.08 of the Master Indenture; provided that such Series 2025 Bonds may be transferred in whole or in part only to “accredited investors” (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended).

SECTION 2.09. Special Obligations. The Series 2025 Bonds shall be special obligations of the Issuer. Neither the Series 2025 Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation (other than Article X, Section 14(10) of the State Constitution authorizing indebtedness payable solely from a source of revenue derived other than from a tax or license). The Series 2025 Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the Issuer or a charge against the general credit or taxing power of the Issuer. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the Issuer or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to the Master Indenture, this First Supplemental Indenture, or the Series 2025 Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to the Master Indenture, this First Supplemental Indenture, or the Series 2025 Bonds, shall be payable solely from, and shall be secured solely by, the Trust Estate, all as provided in the Master Indenture and this First Supplemental Indenture.

ARTICLE III

REDEMPTION OF SERIES 2025 BONDS

SECTION 3.01. Redemption Dates and Prices. The Series 2025 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2025 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2025 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed. Partial redemptions of Series 2025 Bonds shall be made in such a manner that the remaining Series 2025 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2025 Bond.

(a) Optional Redemption. The Series 2025 Bonds are not subject to optional redemption prior to June 1, [____]. The Series 2025 Bonds may, at the option of the Issuer, be called for redemption prior to maturity as a whole, at any time, or in part on any Interest Payment Date, on or after June 1, [____], at a redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest, if any, to the date of redemption, without premium.

If less than all of the Series 2025 Bonds are called for redemption, the Trustee shall select the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. The portion of 2025 Bonds to be redeemed shall be in an Authorized Denomination.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed, without penalty, plus interest accrued to the redemption date, as follows:

(i) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Account within the Bond Redemption Fund following the payment in whole or in part of Assessments on any portion of the property within the Improvement District specially benefited by the Series 2025 Project in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture.

(ii) from moneys, if any, on deposit in the Series 2025 Accounts and Series 2025 Sub-accounts in the Series 2025 Funds and Series 2025 Accounts (other than the Rebate Fund) sufficient to pay and redeem all Series 2025 Outstanding Bonds, and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii) on or after the Series 2025 Completion Date, by application of moneys remaining in the Series 2025 Acquisition and Construction Account within the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2025 Project, which shall be transferred to the Series 2025 General Account within the Bond Redemption Fund, credited toward extinguishment of the Assessments and applied toward the redemption of the Series 2025 Bonds; and on or after December 1, 2025, by application of any moneys remaining in the Series 2025 Capitalized Interest Account representing Capitalized Interest in excess of the amount required to pay interest on the Series 2025 Bonds through December 1, 2025, all of which shall be transferred to the Series 2025 General Account within the Bond Redemption Fund pursuant to Section 5.01(c) of the Master Indenture and Section 4.01(d) of this First Supplemental Indenture, and applied by the Issuer toward the redemption of the Series 2025 Bonds in accordance with the manner it

has credited such excess moneys toward extinguishment of Assessments which the Issuer shall describe to the Trustee in writing.

(iv) [Reserved]

(v) from excess moneys transferred from the Revenue Fund to the Series 2025 General Account within the Bond Redemption Fund in accordance with Section 6.03 of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(vi) following condemnation or the sale of any portion of the Series 2025 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2025 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2025 General Account within the Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments which the Issuer shall describe to the Trustee in writing.

(vii) following the damage or destruction of all or substantially all of the Series 2025 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2025 General Account within the Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (A) notice setting forth the redemption date and (B) a certificate of the Consulting Engineer confirming that the repair and restoration of the Series 2025 Project would not be economical or would be impracticable.

(viii) from amounts on deposit in Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement, and transferred to the Series 2025 General Account within the Bond Redemption Fund in accordance with Section 4.01(f)(i) hereof to be used for the extraordinary mandatory redemption of the Series 2025 Bonds.

(ix) from amounts on deposit in the Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement and transferred to the Series 2025 Prepayment Account within the Bond Redemption Fund in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(ii) hereof to be used, together with any Assessment prepayments on deposit in the Series 2025 Prepayment Account within the Bond Redemption Fund, as the case may be, for the extraordinary mandatory redemption of the Series 2025 Bonds.

(c) Mandatory Sinking Fund Redemption. The Series 2025 Bonds are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installment at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on June 1 of the years and in the principal amounts set forth below:

Year (June 1)

Principal Amount

Year (June 1)

Principal Amount

*Final Maturity

SECTION 3.02.Notice of Redemption. When required to redeem Series 2025 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2025 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2025 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

[End of Article III]

ARTICLE IV

ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS

SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish an account within the Acquisition and Construction Fund designated as the “Series 2025 Acquisition and Construction Account.” Proceeds of the Series 2025 Bonds shall be deposited into the Series 2025 Acquisition and Construction Account in the amounts set forth in Section 2.06 of this First Supplemental Indenture and such moneys in the Series 2025 Acquisition and Construction Account shall be applied to pay a portion of the Costs of the Series 2025 Project as set forth in Article V of the Master Indenture and Section 3.01(b)(iii) of this First Supplemental Indenture; provided, however, that, if the Improvement Fee is not paid to the Issuer at or simultaneous with the issuance of the Series 2025 Bonds, the Issuer may require that the Improvement Fee be paid to the Issuer prior to the use of the moneys in the Series 2025 Acquisition and Construction Account being disbursed to pay any Costs of the Series 2025 Project. The Trustee shall also establish a sub-account within the Series 2025 Acquisition and Construction Account designated as the “Series 2025 Costs of Issuance Sub-account.” Proceeds of the Series 2025 Bonds shall be deposited into the Series 2025 Costs of Issuance Sub-account in the amount set forth in Section 2.06 of this First Supplemental Indenture, and shall be used to pay costs of issuance upon requisition to the Trustee in a form satisfactory to the Trustee.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee has established the Revenue Fund, into which Assessments (except for Prepayments of Assessments which shall be deposited in the Series 2025 Prepayment Account) shall be deposited by the Trustee, both of which Assessments and Prepayments of Assessments shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish an account within the Debt Service Fund designated as the “Series 2025 Principal Account.” Moneys shall be deposited into the Series 2025 Principal Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish an account within the Debt Service Fund designated as the “Series 2025 Interest Account” and shall establish a sub-account therein designated as the “Series 2025 Capitalized Interest Sub-account.” Moneys (including proceeds of the Series 2025 Bonds as set forth in Section 2.06 of this First Supplemental Indenture) deposited into the Series 2025 Interest Account pursuant to the Master Indenture and Section 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein and as provided in this Section 4.01(d) of this First Supplemental Indenture.

In the event that on December 1, 2025, the amount of proceeds of the Series 2025 Bonds representing Capitalized Interest on deposit in the Series 2025 Capitalized Interest Sub-account exceeds the amount needed for Capitalized Interest with respect to the Series 2025 Bonds, such excess shall be transferred from the Series 2025 Capitalized Interest Sub-account to the Series 2025 General Account within the Bond Redemption Fund, in such manner as the Issuer shall determine to apply such excess as a credit against Assessments, and applied, together with excess moneys transferred to the Series 2025 General Account pursuant to the Master Indenture and Section 3.01(b)(iii) hereof, toward the extraordinary mandatory redemption of the Series 2025 Bonds.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Series 2025 Sinking Fund Account.” Moneys shall be deposited into the Series 2025 Sinking Fund Account as provided in Article VI of the Master Indenture and applied for the purposes provided therein and in Section 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Reserve Fund designated as the “Series 2025 Debt Service Reserve Account.”

(i) Proceeds of the Series 2025 Bonds shall be deposited into the Series 2025 Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this First Supplemental Indenture, and such moneys, together with any other moneys deposited into the Series 2025 Debt Service Reserve Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f) of this First Supplemental Indenture. On each June 1 and December 1 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2025 Debt Service Reserve Account and transfer any excess therein above the Series 2025 Debt Service Reserve Requirement into the Series 2025 General Account within the Bond Redemption Fund to be used for the extraordinary mandatory redemption of Series 2025 Bonds in accordance with Section 3.01(b)(viii).

(ii) Notwithstanding the foregoing paragraph (i) and subject to the following paragraph (ii), in the event that the amount of proceeds of the Series 2025 Bonds on deposit in the Series 2025 Debt Service Reserve Account exceeds the Series 2025 Debt Service Reserve Requirement due to a decrease in the amount of Series 2025 Bonds that will be outstanding as a result of an optional prepayment by the owner of a lot or parcel of land of a Series 2025 Assessment against such lot or parcel as provided in Section 4.05(a) of this First Supplemental Indenture, the amount to be released shall be transferred at the written direction of the Issuer from the Series 2025 Debt Service Reserve Account to the Series 2025 Prepayment Account within the Bond Redemption Fund, as a credit against the 2025 Prepayment Principal otherwise required to be made by the owner of such lot or parcel in accordance with Section 3.01(b)(ix).

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate account within the Bond Redemption Fund designated as the “Series 2025 General Account” and the “Series 2025 Prepayment Account.” Except as otherwise provided in this First Supplemental Indenture, moneys to be deposited into the Bond Redemption Fund as provided in Article VI of the Master Indenture shall be deposited to the Series 2025 General Account within the Bond Redemption Fund.

(i) Moneys in the Series 2025 General Account within the Bond Redemption Fund (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, except for moneys received as prepayments of Assessments pursuant to Section 4.05 below, to make such deposits into the Rebate Fund, if any, as the Issuer may direct in accordance with the Tax Certificate, such moneys thereupon to be used solely for the purposes specified in the Tax Certificate. Any moneys so transferred from the Series 2025 General Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Sections 3.01(b)(ii), (iii), (v), (vi), (vii) and (viii) hereof an amount of Series 2025 Bonds equal to the amount of money

transferred to the Series 2025 General Account within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the direction of an Authorized Officer, to call for redemption on each Interest Payment Date on which Series 2025 Bonds are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2025 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Series 2025 Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2025 Prepayment Account within the Bond Redemption Fund (including all earnings on investments held in such Prepayment Accounts within the Bond Redemption Fund) shall be accumulated therein to be used to the extent that the need therefor arises to call for redemption pursuant to Sections 3.01(b)(i) and (ix) hereof an amount of Series 2025 Bonds equal to the amount of money transferred to the Series 2025 Prepayment Account within the Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, and as directed by the Issuer pursuant to the Assessment Roll and the Assessment Proceedings, for the purpose of such extraordinary mandatory redemption of Series 2025 Bonds in the greatest principal amount possible to be redeemed, plus accrued interest to the applicable redemption date, on the dates and at the prices provided in such clauses or provisions, as appropriate.

SECTION 4.02. Disbursements From Revenue Fund Related to Series 2025 Bonds. Consistent with Section 6.03 of the Master Indenture, the Trustee shall transfer from amounts on deposit in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, there shall be deposited into the Administrative Expenses Fund the portion of the Assessments imposed and collected for the Administrative Expenses. The Trustee is authorized to pay such Administrative Expenses upon receipt of a requisition signed by an Authorized Officer;

SECOND, upon receipt but no later than the Business Day preceding the first June 1, commencing June 1, 2026, for which there remains an insufficient amount from the Series 2025 Bond proceeds (or investment earnings thereon) on deposit in the Series 2025 Capitalized Interest Sub-account to be applied to the payment of interest on the Series 2025 Bonds due on the next succeeding June 1, and no later than the Business Day next preceding each June 1 thereafter to the Series 2025 Interest Account within the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding June 1, less any amounts on deposit in the Series 2025 Interest Account not previously credited;

THIRD, not later than the Business Day next preceding (nor more than one year prior to), each Principal Payment Date, to the Series 2025 Principal Account within the Debt Service Fund, an amount equal to the principal amount of Series 2025 Bonds Outstanding maturing on June 1, [20__] and June 1, [20__], respectively, less any amounts on deposit in the Series 2025 Principal Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first December 1, commencing December 1, 2025, for which there remains an insufficient amount from Series 2025 Bond proceeds (or investment earnings thereon) on deposit in the Series 2025 Capitalized Interest Sub-account to be applied to the payment of interest on the Series 2025 Bonds due on the next succeeding December 1, and upon receipt but no later than the Business Day next preceding

each December 1 thereafter to the Series 2025 Interest Account within the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding December 1, less any amount on deposit in the Series 2025 Interest Account not previously credited;

FIFTH, not later than the Business Day next preceding (nor more than one year prior to), each June 1, commencing June 1, 20__, 20__ and 20__ (as applicable), to the Series 2025 Sinking Fund Account within the Debt Service Fund, an amount equal to the principal amount of the Series 2025 Bonds subject to sinking fund redemption on such June 1, less any amount on deposit in the Series 2025 Sinking Fund Account not previously credited;

SIXTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2025 Bonds remain Outstanding, to the Series 2025 Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025 Debt Service Reserve Requirement for the Series 2025 Bonds; and

SEVENTH, subject to the following paragraph the balance of any moneys remaining after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the direction of the Issuer, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section or Section 6.03 of the Master Indenture and deposit such moneys as directed to the credit of the Series 2025 General Account within the Bond Redemption Fund as determined by the Issuer in accordance with the provisions of this First Supplemental Indenture; provided, that for so long as the Debt Service Requirements of the Series 2025 Bonds for a given calendar year consists solely of interest payments, any excess amounts held for the credit of the Revenue Fund after payment of such Debt Service Requirements shall remain in the Revenue Fund and not be deposited to the Series 2025 General Account of the Bond Redemption Fund as provided above. Assessment Prepayments shall be deposited directly into the Series 2025 Prepayment Account within the Bond Redemption Fund as provided in the Indenture.

SECTION 4.03. Power to Issue Series 2025 Bonds and Create Lien; Additional Bonds.

(a) The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2025 Bonds, to execute and deliver the Indenture and to pledge the Trust Estate for the benefit of the Series 2025 Bonds to the extent set forth herein. The Trust Estate is not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2025 Bonds, except as otherwise permitted under the Master Indenture. The Series 2025 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2025 Bonds under the Indenture against all claims and demands of all persons whomsoever.

(b) In addition to the requirements of Section 3.01 of the Master Indenture, in the case of a Series of Bonds to be issued for the purpose of refunding a Series of Bonds that was previously issued, a certificate of an Authorized Officer of the Issuer shall be delivered to the Trustee demonstrating that the sum of the Debt Service Requirements of the refunding Series of Bonds will be less than the sum of the Debt Service Requirements of the Series of Bonds to be refunded with such refunding Series of Bonds.

SECTION 4.04. Series 2025 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Series 2025 Project, as described in Exhibit A hereto, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2025 Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) In accordance with the Assessment Roll, any owner of a parcel of land subject to the Assessments may, at its option and on a per parcel basis, or under certain circumstances described in the Assessment Proceedings and the Assessment Roll shall, require the Issuer to reduce or release and extinguish the lien upon such parcel(s) by virtue of the levy of the Assessments by paying to the Issuer at any time, a full prepayment of the Assessment levied on such parcel(s) as specified in Section I of the RMA, which shall constitute Series 2025 Prepayment Principal, as directed by the Issuer pursuant to the provisions of Section 4.01(g)(ii) of this First Supplemental Indenture, attributable to the property subject to the Assessments owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2025 Bonds, in the event the amount in the Series 2025 Debt Service Reserve Account will exceed the Series 2025 Debt Service Reserve Requirement as a result of a Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this First Supplemental Indenture of Series 2025 Bonds, the excess amount shall be transferred from the Series 2025 Debt Service Reserve Account to the Series 2025 Prepayment Account within the Bond Redemption Fund, as a credit against the Series 2025 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer to the Trustee together with a certificate of an Authorized Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2025 Debt Service Reserve Account to equal or exceed the Series 2025 Debt Service Reserve Requirement and, after giving effect to the proposed redemption of Series 2025 Bonds, there will be sufficient amounts available from the Trust Estate to pay the principal and interest, when due, on all Series 2025 Bonds that will remain Outstanding.

(b) Upon receipt of Series 2025 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the Issuer an affidavit or affidavits, as the case may be, executed by the Issuer, to the effect that the Assessment has been paid in full and that such Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2025 Prepayment Account within the Bond Redemption Fund to be applied in accordance with clause (i) of Section 3.01(b) of this First Supplemental Indenture, to the redemption of Series 2025 Bonds or in accordance with Section 4.01(g)(ii) of this First Supplemental Indenture.

[End of Article IV]

ARTICLE V

MISCELLANEOUS PROVISIONS

SECTION 5.01. Interpretation of Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2025 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and this First Supplemental Indenture shall be read and construed as one document.

SECTION 5.02. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 5.03. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 5.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 5.05. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2025 Bonds or the date fixed for the redemption of any Series 2025 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price 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 due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 5.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2025 Bonds.

(Signature page to follow)

IN WITNESS WHEREOF, Lancaster County, South Carolina has caused this First Supplemental Trust Indenture to be executed by the Chairman of its County Council and its seal to be hereunto affixed and attested by the Clerk to Council has caused this First Supplemental Trust Indenture to be executed by one of its authorized officers, all as of the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

(SEAL)

ATTEST

Clerk to Council

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

By: _____
Its: _____

EXHIBIT A

DESCRIPTION OF THE DISTRICT AND THE SERIES 2025 PROJECT

The real property included within the Roselyn Residential Improvement District (the “District”) is located in the County and is generally located between Highway 521 and Old Hickory Road, slightly south of W. North Corner Road, as further identified in the following table¹.

| Parcel | Owner | Acres |
|----------------|----------------------------------|----------|
| 0044-00-024.01 | Lancaster County, South Carolina | 84.279 |
| 0044-00-024.00 | Lennar Carolinas, LLC | 1,235.50 |
| 0045-00-004.01 | Lennar Carolinas, LLC | 76.05 |

¹ Reflects TMS numbers, ownership and acreages of parcels as of December 31, 2024.

The District is approximately 1,395.829 acres in total.

The Series 2025 Project includes the following improvements which are funded with the proceeds of the Series 2025 Bonds:

| |
|---|
| <u>Road Infrastructure</u> |
| Roselyn Avenue District |
| Intersection of Norma Forest Road and Highway 521 |
| Intersection of Roselyn Avenue and Highway 521 |
| Intersection of North Corner and Highway 521 |
| Intersection of Roselyn Avenue and Old Hickory Road |
| Intersection of Old Hickory Road and Highway 5 (Rock Hill Highway) |
| |
| <u>Regional Park</u> |
| |
| <u>Water and sewer infrastructure</u> |
| On site (within the District) water system and sewer system infrastructure, including: a regional pump station, an onsite pump station, and onsite force main and truck lines |
| Offsite force main (outside of the District) |
| Onsite water and sewer lines throughout the District |

The improvements described above are described in more detail in the Improvement Plan and the Engineer’s Report originally delivered by the Developer.

EXHIBIT B

[FORM OF SERIES 2025 BOND]

[Unless this bond is presented by an authorized representative of The Depository Trust Company (“DTC”), a New York corporation, to Lancaster County, South Carolina, or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
LANCASTER COUNTY, SOUTH CAROLINA
ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT
ASSESSMENT REVENUE BOND, SERIES 2025

Interest
Rate

Maturity
Date

Dated
Date

CUSIP

Registered Owner:

Principal Amount:

Lancaster County, South Carolina (the “Issuer”), on behalf of the Roselyn Residential Improvement District (the “District”), created pursuant to Title 6, Chapter 35 of the Code of Laws of South Carolina 1976, as amended (the “Act”), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns (the “Owner”), on the Maturity Date shown hereon, unless this bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the hereinafter defined Indenture) shall have been duly made or provided for, the Principal Amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date (as defined herein) to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on June 1 and December 1 of each year (each, an “Interest Payment Date”), commencing on December 1, 2025, until payment of said Principal Amount has been made or provided for, at the Interest Rate per annum set forth above. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner hereof at the close of business on the regular record date for such interest, which shall be the 15th day next preceding such Interest Payment Date (the “Record Date”); provided, however, that on or after the occurrence and continuance of an Event of Default under Section 10.02(a) of the Indenture relating to a failure to pay Debt Service (as defined in the Indenture), when due, the payment of interest and principal or Redemption Price or Sinking Fund Installments (as such terms are defined in the Indenture) shall be made by the Paying Agent (as defined herein) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than 15 and not less than ten

days prior to the date of such proposed payment, appears on the registration books of the Registrar as the Owner of this bond. Any payment of principal, Maturity Amount (as defined in the Indenture) or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"). Payment of interest shall be made by check or draft mailed by the Paying Agent and Registrar (or by wire transfer to an account within the continental United States, and at the expense of, the Owner if such Owner requests such method of payment in writing on or prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the Owner owns not less than \$1,000,000 in aggregate principal amount of the hereafter defined Series 2025 Bonds). Interest on this bond will be computed on the basis of a 360-day year of twelve 30-day months.

This bond is one of a duly authorized issue of bonds of the Issuer designated "Roselyn Residential Improvement District Assessment Revenue Bonds, Series 2025" in the aggregate principal amount of \$[] (the "Series 2025 Bonds"), issued under a Master Trust Indenture dated as of July 1, 2025 (the "Master Indenture") and a First Supplemental Trust Indenture dated as of July 1, 2025 (the "Supplemental Indenture" and, together, the "Indenture"), each between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Series 2025 Bonds are being issued for the purposes of (i) financing a portion of the Cost of acquisition, construction and equipping the roads, sanitary sewer system, water system, and other public improvements in the District (the "Series 2025 Project"), including capitalized interest on the Series 2025 Bonds, (2) to fund the Series 2025 Debt Service Reserve Account in an amount equal to the Series 2025 Debt Service Reserve Requirement, and (3) to pay costs of issuance related to the Series 2025 Bonds.

Terms not specifically defined herein have the definitions given such terms in the Indenture.

THIS BOND IS A SPECIAL OBLIGATION OF THE ISSUER. NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY STATE OF SOUTH CAROLINA (THE "STATE") CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION (OTHER THAN ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUES DERIVED OTHER THAN FROM A TAX OR LICENSE). THIS BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DOES NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE ISSUER. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE ISSUER OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, ANY SUPPLEMENTAL INDENTURE OR THIS BOND. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, ANY SUPPLEMENTAL INDENTURE OR THIS BOND, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE TRUST ESTATE, ALL AS PROVIDED IN THE INDENTURE.

This bond is issued under and pursuant to the Constitution and laws of the State, including the Act and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Series 2025 Bonds, the nature and extent of the security thereby created, the covenants of

the Issuer with respect to the levy and collection of Assessments, the terms and conditions under which the Series 2025 Bonds are or may be issued, the rights, duties, obligations and immunities of the Issuer and the Trustee under the Indenture and the rights of the Owners of the Series 2025 Bonds, and, by the acceptance of this bond, the Owner assents to all of the provisions of the Indenture. The Series 2025 Bonds are equally and ratably secured by the Trust Estate, without preference or priority of one bond over another. The Indenture permits the issuance of additional Bonds (as defined in the Indenture) ranking on a parity with the Series 2025 Bonds as to the lien and pledge of the Trust Estate. Additional Bonds may also be issued for the purposes of refunding Outstanding Bonds.

The Series 2025 Bonds are issuable only as registered bonds without coupons in current interest form in minimum denominations of \$25,000 or any integral multiple of \$5,000 in excess thereof (each, an “Authorized Denomination”). This bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as Registrar (the “Registrar”), upon surrender of this bond, accompanied by an assignment and a written instrument of transfer in form satisfactory to the Registrar, subject to such reasonable regulations as the Issuer or the Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Series 2025 Bond or Series 2025 Bonds, in the same aggregate principal amount as the Series 2025 Bond or Series 2025 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Registrar in Columbia, South Carolina, in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2025 Bonds may be exchanged for an equal aggregate principal amount of Series 2025 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The 2025 Bonds are not subject to optional redemption prior to June 1, [20]. The 2025 Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part at any time, on or after June 1, [20], at a Redemption Price equal to 100% of the principal amount of the bonds to be redeemed, together with accrued interest to the date of redemption.

The Series 2025 Bonds are subject to mandatory redemption in part by the Issuer by lot prior to their scheduled maturity from moneys in the Series 2025 Principal Account in satisfaction of applicable Sinking Fund Installment at a Redemption Price equal to 100 percent of the principal amount thereof, without premium, together with accrued interest to the date of redemption on June 1 of the years and in the principal amounts set forth below:

| | | | |
|----------------------|-------------------------|----------------------|-------------------------|
| <u>Year (June 1)</u> | <u>Principal Amount</u> | <u>Year (June 1)</u> | <u>Principal Amount</u> |
|----------------------|-------------------------|----------------------|-------------------------|

* Final Maturity

As more particularly set forth in the Indenture, any Series 2025 Bonds that are purchased by the Issuer with amounts held to pay a Sinking Fund Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Sinking Fund Installment of Series 2025 Bonds. In addition, the above Sinking Fund Installments are subject to recalculation, as provided in the Indenture, as the result of certain purchases or the redemption of Series 2025 Bonds other than in accordance with scheduled Sinking Fund Installments so as to reamortize the remaining Outstanding principal of the Series 2025 Bonds.

The 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory Redemption Price of 100% of the principal amount of the Series 2025 Bonds to be redeemed, without premium, plus interest accrued to the date of redemption, as follows:

(a) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Account within the Bond Redemption Fund following the payment in whole or in part of Assessments on any portion of the property within the District specially benefited by the Project in accordance with the provisions of the Indenture, including excess moneys transferred from the Series 2025 Reserve Account to the Series 2025 Prepayment Account within the Bond Redemption Fund resulting from such Assessment prepayments pursuant to the Indenture; or

(b) from moneys, if any, on deposit in the Series 2025 Accounts and Sub-accounts within the Funds and Series 2025 Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2025 Bonds, and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture; or

(c) on or after the Series 2025 Completion Date, by application of moneys transferred from the Acquisition and Construction Fund established under the Indenture not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2025 Project, to the Series 2025 General Account of the Bond Redemption Fund, credited toward extinguishment of the Assessments and applied toward the redemption of the Series 2025 Bonds; and on or after December 1, 2025, by application of any moneys remaining in the Series 2025 Capitalized Interest Account representing Capitalized Interest in excess of the amount required to pay interest on the Series 2025 Bonds through December 1, 2025, to the Series 2025 General Account within the Bond Redemption Fund and applied toward the redemption of the Series 2025 Bonds, all in accordance with the terms of the Indenture; or

(d) from excess moneys transferred from the Series 2025 Revenue Account to the Series 2025 General Account within the Bond Redemption Fund in accordance with the Indenture; or

(e) following condemnation or the sale of any portion of the Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2025 General Account within the Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments which the County shall describe to the Trustee in writing; or

(f) following the damage or destruction of all or substantially all of the Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the County to the Trustee for deposit to the Series 2025 General Account within the Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2025 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Assessments; provided, however, that at least 45 days prior to such extraordinary mandatory redemption, the County shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable.

(g) from amounts on deposit in Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement, and transferred to the Series 2025 General Account within the Bond Redemption Fund in accordance with Section 4.01(f)(i) of the

Supplemental Indenture to be used for the extraordinary mandatory redemption of the Series 2025 Bonds.

(h) from amounts on deposit in the Series 2025 Debt Service Reserve Account in excess of the Series 2025 Debt Service Reserve Requirement and transferred to the Series 2025 Prepayment Account within the Bond Redemption Fund in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(ii) of the Supplemental Indenture to be used, together with any Assessment prepayments on deposit in the Series 2025 Prepayment Account within the Bond Redemption Fund, as the case may be, for the extraordinary mandatory redemption of the Series 2025 Bonds.

If less than all of the Series 2025 Bonds are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall, except as otherwise provided in the Indenture, select the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed by lot. The portion of Series 2025 Bonds to be redeemed shall be in an Authorized Denomination.

The Trustee shall cause notice of each redemption, either in whole or in part, to be mailed at least 30 but not more than 60 days prior to the redemption or purchase date to all Owners of Series 2025 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the 5th day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2025 Bonds for which notice was duly mailed in accordance with the Indenture. If any required (a) unconditional notice of redemption has been duly mailed or waived by the Owners of all Series 2025 Bonds called for redemption or (b) conditional notice of redemption has been so mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Series 2025 Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Series 2025 Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default (as defined in the Indenture) under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2025 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Series 2025 Bond which remain unclaimed for three years (or such shorter period of time permitted under any applicable escheat laws of the State) after the date when such Series 2025 Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for six years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall at the written request of the Issuer be repaid by the Trustee or the Paying Agent to the

Issuer, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Federal Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2025 Bonds as to the Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture. This bond is issued with the intent that the laws of the State shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State and the ordinances and resolutions of the Issuer to happen, exist and be performed precedent to and in the issuance of this bond and the execution of the Indenture, have happened, exist and have been performed as so required. This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Lancaster County, South Carolina, has caused this bond to bear the signature of its Chairman of County Council and the official seal of the County to be impressed, imprinted or reproduced hereon and attested by the signature of the Clerk to County Council.

LANCASTER COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council

(SEAL)

ATTEST:

Clerk to County Council

FORM OF CERTIFICATE OF AUTHENTICATION

This Series 2025 Bond is one of the Series 2025 Bonds designated herein, described in the within-mentioned Indenture.

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

By: _____
Authorized Signatory

Date of Authentication:

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ (Name and address of Transferee) the within bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the registered holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____
(State)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

Additional abbreviations may also be used though not in above list.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F

INFORMATION REGARDING LANCASTER COUNTY, SOUTH CAROLINA

General Description

The County, established in 1785, is located in the north central section of South Carolina, and is bounded on the west by the Catawba River and Sugar Creek, on the east by Lynches River, on the south by Kershaw County and on the north by Mecklenburg County and Union County in North Carolina. The County includes four incorporated municipalities: Lancaster, Kershaw, Heath Springs and Van Wyck. The City of Lancaster, the county seat, is located 37 miles south of Charlotte, North Carolina, and 60 miles north of Columbia, South Carolina, the state capital. According to the 2020 Census, the population of the County was 96,016; the 2024 population of the County is estimated to be 111,652.

Form of Government

The County operates under the Council-Administrator form of government in accordance with Title 4, Chapter 9 of the South Carolina Code (the “Home Rule Act”). The County Council consists of seven members elected from single-member districts for four-year terms. The County Council bi-annually elects one member to serve as Chair, one member to serve as Vice Chair and one member to serve as Secretary.

The County Council is responsible, among other things, for enacting ordinances, adopting an annual budget for all County departments, setting a tax rate, and levying ad valorem taxes necessary to carry out County functions and pay County indebtedness. The County Council employs a County Administrator who is responsible for day-to-day operations of the County and for implementing County Council policy.

The present members of the County Council, their respective occupations and number of years of service on County Council are as follows:

| <u>Name</u> | <u>Occupation</u> | <u>Years of Service</u> |
|--------------------------------|------------------------|-------------------------|
| Brian Carnes, Chairman | Self-Employed | 12 |
| Billy Mosteller, Vice Chairman | Self-Employed | 8 |
| Stuart Graham | Self-Employed | * |
| Steve Harper | Self-Employed | 12 |
| Jose Luis | COO of Non-Profit Corp | 2 |
| Charlene McGriff | Retired | 14 |
| Bryant Neal | Self-Employed | * |

* Less than one year.

Dennis Marstall is the County Administrator and has served in this position since October 18, 2021. Mr. Marstall has spent 16 years in city and county management, including 12 years with the City of Charlotte, North Carolina (Manager’s Office/Mayor’s Office, Economic Development Office, and Budget and Evaluation Office). He also spent five years in non-profit leadership as Vice President for Community Investment and Impact for the United Way of Central Carolinas. Most recently, Mr. Marstall has served as the Assistant City Manager for Manhattan, Kansas. Mr. Marstall obtained a Bachelor of Arts Degree in Political Science from Kansas State University and a Master of Public Administration Degree in Public Policy and Administration from the University of Louisville.

Sabrina Harris currently serves as the Chief Financial Officer for the County, a role she has held since January 2024. Prior to becoming Chief Financial Officer, Mrs. Harris served eight years as Executive

Director of Budget and Management Service for Charlotte-Mecklenburg Schools. Mrs. Harris holds a bachelor's degree in business from Norfolk State University in Norfolk, Virginia, and an MBA from Averett University in Danville, Virginia. She is an active member of both the South Carolina and National Government Finance Officers Association (GFOA) and serves as the Chair of the By-Laws committee for the GFOA Black Caucus.

In addition to the County Council, various county officers are also elected, including the County Auditor, County Treasurer, Clerk of Court, Coroner, Probate Judge and Sheriff.

Services Provided

The County provides various local services which are funded primarily from the County's *ad valorem* tax levy as reflected in its annual budget for the fiscal year ending June 30, 2026. The County also collects fees and user charges to offset the cost of providing certain of these services.

In order to provide these services, in its annual budget for the fiscal year ending June 30, 2026, the County authorized approximately 752 full-time-equivalent positions, consisting of:

| <u>Services</u> | <u>Full Time Equivalent</u> |
|-----------------------------------|---------------------------------|
| General Government Administration | 156 |
| Administration of Justice | 34 |
| Culture & Recreation | 48 |
| Public Safety & Law Enforcement | 452 |
| Public Works | 47 |
| Public Health & Safety | 15 |
| Total | 752 |

Other Services Provided Within the County

Several municipalities within the County also provide some of the services listed above and additional services not provided by the County.

Water and sewer services to portions of the County are provided by the Lancaster County Water and Sewer District. Refuse collection is handled directly by the municipalities or franchised by the County to private contractors. Household garbage convenience stations are provided at various locations throughout the County.

Public safety and law enforcement for the County, including EMS, Fire, Sheriff, Detention Center and the Coroner's office, employs 452 full-time-equivalent employees and includes one police station, two police sub-stations, one Sheriff's office, and 19 fire stations.

Public health and welfare for the County employs 15 full-time-equivalent employees, which includes 11 full-time Animal Shelter employees and 4 full-time Veterans Affairs staff.

The County Public Works Department provides solid waste service throughout the County, maintains an estimated 302 miles of recorded paved roads and approximately 219 miles of unpaved roads, and has 47 full-time-equivalent employees which includes 7 ground crew workers.

The County Parks & Recreation Department maintain 19 County parks (parks, fields and playgrounds), four recreation centers and one outdoor swimming with 34 full-time-equivalent employees.

Upgrades to recreation facilities are planned for fiscal year ending June 30, 2026. The County currently operates three libraries with 14 full-time staff.

Municipal Solid Waste Landfill

The County's landfill was closed as of June 30, 1995. The South Carolina Department of Environmental Services, as successor to the South Carolina Department of Health and Environmental Control ("DES"), requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of thirty years after closing. DES also requires that operators cover the landfill with a minimum cover of a certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. Because the landfill is closed, the County considers it to be at 100% of capacity.

During fiscal year ended June 30, 2024, the County expended \$17,688 in landfill closure costs. Remaining post-closure costs are estimated by the County at \$898,234 and included with the long-term liabilities in the County's audited statement of net assets as of June 30, 2024. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and applicable laws and regulations.

Commerce and Industry

Historically, the County's economy has been dominated by the textile industry. However, over the last decade it has become one of the most diverse economies in the State. The County's economy is driven by corporate headquarters, advanced manufacturing, and mining operations. According to the South Carolina Department of Employment and Workforce, recent employment is highest in the category of the professional, scientific, and technical services industry. Manufacturing operations are the second highest component of the County's workforce.

The County's business community is exceptionally strong and is home to the headquarters for Continental Tire the Americas, Founders Federal Credit Union, INSP Network, Movement Mortgage, Red Ventures, Sharonview Federal Credit Union, Snider Fleet Services and Startup Factory USA. Advanced manufacturing operations are abundant and include Akzo Nobel, Oldcastle Fab Fours, McClancy Seasoning, Nutramax Laboratories, Oceana Gold, Oldcastle APG, and Silgan Containers.

The County continues to develop the industrial parks that it owns, two along the SC 9 Corridor and the third in Heath Springs. These parks are less than an hour from Charlotte Douglas International Airport and downtown Charlotte via SC 9 and US 521 to I-485. The County is exploring other opportunities to expand our business development footprint. Additionally, the County boasts affordable land in one of the fastest growing areas south of Charlotte. There are numerous new residential developments throughout the County because of the County's low taxes and the quality of the school system. In the past few years, the County has seen an increase in commercial development such as retail and restaurants.

In May 2025, Oldcastle APG, a CRH company and building manufacturer, announced plans to grow its footprint in the State with a new operation in the County. The new facility will manufacture residential and commercial concrete building and hardscape products. The company's \$20 million investment will create 30 new jobs. Operations are expected to be online in the second quarter of 2026.

In October 2024, LCI-Lineberger Construction, Inc., a heavy highway and civil contractor, announced plans to expand its operations in the County. The expansion includes the construction of a new asphalt plant adjacent to the company's current operation that will produce asphalt for the company's

paving projects, state and local municipalities and other contractors. The company's \$10 million investment will create 30 new jobs.

In May 2023, Snider Fleet Solutions, one of the largest service providers in the transportation and construction industries, announced plans to relocate its North Carolina based headquarters offices to the County. The company's \$6.9 million investment will create 167 new jobs.

In October 2022, Nutramax Laboratories, an industry-leading manufacturer and marketer of nutritional supplement products for people and pets, held the grand opening of its 200,000-square-foot expansion. The company's \$30 million investment nearly triples the size of the corporate headquarters and manufacturing facility and will create approximately 200 new jobs. The Coordinating Council for Economic Development has approved job development credits and has also awarded a \$500,000 Set-Aside grant to the County to assist with costs related to this project.

In March 2022, U.S. Strapping Company, Inc., a division of FROMM Group, announced plans to expand its operations in the County. FROMM Group is a market-leading manufacturer with years of experience in the development, sales and service of a wide range of packaging products for securing and protecting transport loads around the world. The company's \$34.6 million investment will create 63 new jobs.

In October 2022, Chief Buildings, a subsidiary of Chief Industries, Inc. and a premier metal building system manufacturer, held its grand opening establishing operations in the County. The company's \$22.1 million investment will create 102 new jobs over the next four years.

In April 2021, VOCO America, Inc. announced plans to expand its operation in the County with a more than \$3.2 million investment that is expected to create 15 new jobs. The company's clinically customized and economical products are used by dentists and technicians in more than 110 countries around the world. The new, company-owned 16,000-square-foot facility will serve as the company's headquarters and include a state-of-the-art training center.

In March 2021, Studio Displays, Inc. announced plans to establish operations in the County. Studio Display, Inc. is a design company that specialized in the production and management of tradeshow displays, interior casework, museum exhibits and other custom events. The new 82,000-square-foot facility representing an investment of \$7.1 million will create 43 new jobs.

In March 2021, Basware, a Finland-based e-invoicing solutions provider for enterprises, announced plans to expand the company's North American headquarters in the County. The expansion will create approximately 15 new jobs.

In March 2021, REMBE Inc. relocated its United States operations to the County. REMBE Inc. specializes in explosion protection and pressure relief for a wide variety of industries. The more than \$3.4 million investment is projected to create 22 new jobs.

In October 2020, Continental Tire the Americas, LLC, a manufacturer and distributor of premium tires, announced plans to expand the company's operations in the County. The expansion will include a new 88,000-square-foot building, which will be constructed next to the existing headquarters. The company invested more than \$20 million into the expansion.

In October 2020, Unique Loom, a global online retailer of area rugs and home décor to national and international customers, announced plans to expand its operations in the County. The \$18.4 million expansion will increase the company's distribution capabilities by nearly doubling the size of its building

with the construction of over 234,000 square feet of warehouse space and an additional 10,000 square feet of office space.

In October 2020, SynTech Design, announced plans to establish operations in the County. Established in 2020, the company provides 3D Building Information Modeling and design services to clients across the United States. The \$450,000 investment is expected to create 20 new jobs.

ClickFold Plastics, a custom plastics manufacturer, announced its plans to establish operations in the County in September 2020. The new \$1.5 million facility is projected to create 21 new jobs and be online by the fourth quarter of 2021.

In June 2020, McClancy Seasoning, a leading food product innovation and manufacturing company announced plans to expand its operations in the County. The 75,000-square-foot expansion over two facilities will enable the company to significantly grow production and distribution capabilities for major fast food restaurants, food manufacturers and its private label packaging. The over \$9.4 million investment is projected to create 108 new jobs, more than doubling the company's employment.

In February 2020, Scientex Packaging Film, one of the world's largest producers of stretch film, announced plans to establish operations in the County with a \$43 million investment that is projected to create 69 new jobs. The new Scientex Packaging Film facility will be equipped with state-of-the-art machinery, incorporating the latest technology in cast stretch film as well as best in class utilities to support the production.

Capital Investment

The following table sets forth the total announced capital investment for new and expanded industry within the County for the last five years for which information is available and the current year.

| <u>Year</u> | <u>New Investment</u> | <u>New Employment</u> |
|-------------------|-----------------------|-----------------------|
| 2020 | \$105,850,000 | 256 |
| 2021 | 10,300,000 | 73 |
| 2022 | 86,700,000 | 365 |
| 2023 | 6,900,000 | 167 |
| 2024 | 10,000,000 | 30 |
| 2025 ¹ | 20,000,000 | 30 |

¹ Through June 30, 2025.

Note: This table includes only those projects in which the South Carolina Department of Commerce was instrumental in bringing the project to the County.

Source: South Carolina Department of Commerce.

Labor Force

The compensation of the nonagricultural labor force in the County, based on place-of-work basis, for the last five years for which information is available is as follows:

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Manufacturing | 238,829 | 213,942 | 223,207 | 224,746 | 234,139 |
| Construction | 53,109 | (D) | (D) | 71,963 | 75,250 |
| Mining | (D) | (D) | (D) | (D) | (D) |
| Forestry & Fishing | (D) | (D) | 2,770 | (D) | (D) |
| Transportation & Public Utilities | (D) | (D) | 21,553 | 28,380 | 27,719 |
| Wholesale & Retail Trade | 170,448 | 191,797 | 207,036 | 234,233 | 251,313 |
| Information | 43,388 | 41,867 | 50,019 | 53,450 | 57,657 |
| Finance, Insurance & Real Estate | 66,924 | 86,415 | 145,019 | 159,622 | 164,208 |
| Services | 909,368 | 912,077 | 921,677 | 1,075,016 | 1,120,889 |
| Government | <u>291,252</u> | <u>302,323</u> | <u>310,005</u> | <u>338,629</u> | <u>361,278</u> |
| TOTAL | 1,773,318 | 1,748,421 | 1,881,286 | 2,186,039 | 2,292,453 |

(D) – Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Note: Numbers shown in thousands of dollars. Totals may not add due to rounding.

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

The labor force participation rates of residents of the County (regardless of place of employment) for the five calendar years shown are as follows:

| | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-----------------------------------|--------------------|-------------|-------------|-------------|-------------|
| Civilian Labor Force ¹ | 42,923 | 44,531 | 46,568 | 48,578 | 49,583 |
| Employment | 40,129 | 42,693 | 44,986 | 47,044 | 47,462 |
| Unemployment | 2,794 ² | 1,838 | 1,582 | 1,534 | 2,121 |

¹ Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households and unpaid family workers.

² The County attributes the primary factor in the increase in 2020 to the economic and other effects of COVID-19.

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

Retail Sales

The following table shows gross retail sales for businesses located in the County for the last five years for which information is available:

| <u>Year</u> | <u>Gross Retail Sales</u> |
|-------------|---------------------------|
| 2020 | \$1,891,111,005 |
| 2021 | 2,685,995,534 |
| 2022 | 2,947,541,987 |
| 2023 | 2,383,528,914 |
| 2024 | 2,408,786,957 |

Source: South Carolina Department of Revenue.

Principal Employers

The following table shows the top employers located within the County, type of business, and approximate number of employees for 2024:

| <u>Name</u> | <u>Type of Business</u> | <u>Approximate Number of Employees</u> |
|----------------------------------|--------------------------------|--|
| Lancaster County Schools | Education | 2,048 |
| Red Ventures | Marketing | 1,052 |
| Movement Mortgage | Banking | 840 |
| Oceana Gold | Mining | 725 |
| Nutramax Laboratories | Manufacturing | 700 |
| Continental Tire | Manufacturing Corporate Office | 657 |
| Lancaster County ¹ | Government | 650 |
| MUSC (Springs Memorial Hospital) | Healthcare | 605 |
| KEER America | Manufacturing | 401 |
| Founders Federal Credit Union | Banking | 385 |

¹ Does not include part-time employees.

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce.

Construction Activity

The following table shows the number of building permits issued by the County for new, privately-owned, single-family residential units and new commercial properties along with the approximate cost of new construction represented by those permits in each of the last five fiscal years.

| <u>Fiscal Year</u> | <u>Residential Permits</u> | <u>Construction Cost</u> | <u>Commercial Permits</u> | <u>Construction Cost</u> | <u>Total Permits</u> | <u>Total Construction Cost</u> |
|------------------------|--------------------------------|------------------------------|-------------------------------|------------------------------|--------------------------|--|
| 2020-21 | 1,354 | \$683,062,523 | 55 | \$161,083,590 | 1,409 | \$668,457,016 |
| 2021-22 | 1,265 | 663,720,219 | 69 | 219,034,501 | 1,334 | 882,754,720 |
| 2022-23 | 647 | 316,803,382 | 34 | 35,263,317 | 681 | 351,066,699 |
| 2023-24 | 677 | 290,276,810 | 35 | 26,555,894 | 712 | 316,832,704 |
| 2024-25 | 1,096 | 513,256,841 | 69 | 150,579,876 | 1,165 | 663,836,717 |

Source: Lancaster County Building Department.

Per Capita Personal Income

The per capita income in the County for each of the last five years for which information is available is shown below, along with figures for the State and the United States.

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>United States</u> |
|-------------|---------------|--------------|----------------------|
| 2019 | \$52,040 | \$46,150 | \$55,567 |
| 2020 | 50,475 | 48,770 | 59,123 |
| 2021 | 53,354 | 53,224 | 64,460 |
| 2022 | 55,455 | 54,429 | 66,244 |
| 2023 | 58,926 | 57,332 | 69,810 |

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

Median Family Income

The following table shows the estimated median family income for the County, for each of the past five years for which information is available. Figures for the State and the United States are included for comparison purposes.

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>United States</u> |
|-------------|---------------|--------------|----------------------|
| 2021 | \$73,300 | \$68,700 | \$ 79,900 |
| 2022 | 77,300 | 78,400 | 90,000 |
| 2023 | 99,000 | 82,900 | 96,200 |
| 2024 | 85,400 | 84,800 | 97,800 |
| 2025 | 93,700 | 90,500 | 104,200 |

Note: Information is only available for the Lancaster County, SC HUD Metro FMR Area, which includes the County.

Source: U.S. Department of Urban Development, Economic and Market Analysis Divisions.

Unemployment Rates

The average unemployment rate in the County, State, and United States for each of the last five years for which information is available is shown below.

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>United States</u> |
|-------------------|---------------|--------------|----------------------|
| 2020 ¹ | 6.5% | 6.0% | 8.1% |
| 2021 | 4.1 | 3.9 | 5.3 |
| 2022 | 3.4 | 3.2 | 3.6 |
| 2023 | 3.2 | 3.0 | 3.6 |
| 2024 | 4.3 | 4.1 | 4.0 |

¹ The County attributes the primary factor in the increase in 2020 to the economic and other effects of COVID-19.

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

The average unemployment rate in the County for each of the last 12 months for which data is available is shown below.

| <u>Date</u> | <u>Rate</u> |
|----------------|-------------|
| May 2024 | 3.8% |
| June 2024 | 4.6 |
| July 2024 | 4.8 |
| August 2024 | 5.0 |
| September 2024 | 4.4 |
| October 2024 | 4.5 |
| November 2024 | 4.5 |
| December 2024 | 4.3 |
| January 2025 | 4.4 |
| February 2025 | 4.7 |
| March 2025 | 4.5 |
| April 2025 | 4.0(P) |

(P) Preliminary.

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

Population Growth

The following table illustrates the population growth of the County for the years shown. Population statistics for the State and the United States are included for comparison purposes.

| | <u>Lancaster County</u> | | <u>South Carolina</u> | | <u>United States</u> | |
|-------|-------------------------|-----------------|-----------------------|-----------------|----------------------|-----------------|
| | <u>Population</u> | <u>% change</u> | <u>Population</u> | <u>% change</u> | <u>Population</u> | <u>% change</u> |
| 1980 | 53,361 | -- | 3,121,820 | -- | 226,545,805 | -- |
| 1990 | 54,516 | 2% | 3,486,703 | 12% | 248,709,873 | 10% |
| 2000 | 61,351 | 13 | 4,012,012 | 15 | 281,421,960 | 13 |
| 2010 | 76,652 | 25 | 4,625,364 | 15 | 308,745,538 | 10 |
| 2020 | 96,016 | 25 | 5,118,425 | 11 | 331,449,281 | 7 |
| 2024* | 111,652 | 16 | 5,478,831 | 7 | 340,110,988 | 3 |

*Estimate

Source: U.S. Department of Commerce, Bureau of the Census.

The 2010 Census population and the 2020 Census population of the incorporated municipalities located in the County are set forth in the table below:

| <u>Municipality</u> | <u>2010 Census</u> | <u>2020 Census</u> |
|-----------------------|--------------------|--------------------|
| Town of Heath Springs | 790 | 742 |
| Town of Kershaw | 1,803 | 1,693 |
| City of Lancaster | 8,526 | 8,460 |
| Town of Van Wyck | N/A | 848 |

Source: U.S. Department of Commerce, Bureau of the Census.

Transportation Facilities

The County is served by interstate highways I-20, I-77, I-85, I-277 and I-485, U.S. Highways 521 and 601, and several State highways. The L&C Railway is a privately owned short-line railroad based in Lancaster, offering customized rail freight service and connecting to the national rail network through CSX and Norfolk Southern. The nearest commercial airport is Charlotte-Douglas International Airport.

Healthcare Services

Lancaster Medical Center (formerly Springs Memorial Hospital), a division of the Medical University of South Carolina, offers 211 beds and 120 physicians and care team members. Lancaster Medical Center offers kidney transplant, robotic surgery, acute care, diagnostic services, women's health, orthopedic services, cardiac services, general and laparoscopic surgery, rehabilitation, emergency treatment and wound care. Lancaster Medical Center is an Accredited Chest Pain Center as designated by The American College of Cardiology, as well as a Primary Stroke Center as designated by The Joint Commission. In addition, two healthcare systems in Charlotte have significant facilities in Mecklenburg and Union Counties which are utilized by residents of the County.

Higher Education

The University of South Carolina Lancaster ("USC Lancaster"), a two-year regional campuses of the University of South Carolina (the "University"), offers University programs to a service area of six counties, including the County. The Fall 2023 headcount enrollment was 2,239.

York Technical College is a public, two-year, associate degree granting institution that serves an area of three counties, including the County. York Technical College offers academic programs and continuing education. The Fall 2023 headcount enrollment was 4,731.

Recreation

Lancaster County Parks and Recreation ("LCPR") operates lighted sports playing fields, walking tracks, tennis courts, playgrounds and picnic shelters, and a swimming pool used for swim team competitions. LCPR conducts team sports, after-school programs, summer camp, and sports camps.

The 360-acre Andrew Jackson State Park features a 25-site family campground, a seven-acre fishing lake with rental boats, picnic shelters, nature trails, a playground, and a 7,500-square-foot outdoor amphitheater.

Financial Institutions

According to the Federal Deposit Insurance Corporation, as of June 30, 2024, there were 13 branches of commercial banks in the County, with deposits at all institutions totaling approximately \$954 million. The continuing reorganization of the banking system in the United States, with its attendant mergers and consolidations, is likely to affect the total number of branch offices in the County.

