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and Fiscal Control Act.

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Finance Officer

MASTER INSTALLMENT FINANCING AGREEMENT

Dated as of January 1, 2018

between

COUNTY OF MONTGOMERY, NORTH CAROLINA

and

MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION

**TABLE OF CONTENTS**

**ARTICLE I**

**DEFINITIONS AND RULES OF CONSTRUCTION**

SECTION 1.1 Definitions. .... 3  
SECTION 1.2 Rules of Construction. .... 5

**ARTICLE II**

**REPRESENTATIONS OF THE COUNTY AND THE CORPORATION**

SECTION 2.1 Representations, Covenants and Warranties of the County. .... 6  
SECTION 2.2 Representations, Covenants and Warranties of the Corporation. .... 6  
SECTION 2.3 Representations, Covenants and Warranties Confirmed by Each Supplemental Agreement. .... 7

**ARTICLE III**

**ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF SCHOOL PROJECT**

SECTION 3.1 Advancements. .... 8  
SECTION 3.2 Acquisition, Construction, Furnishing and Equipping of School Project; Additions to Mortgaged Property. .... 8  
SECTION 3.3 Payment of Costs. .... 8  
SECTION 3.4 Completion of School Project. .... 9

**ARTICLE IV**

**PAYMENT OF INSTALLMENT PAYMENTS  
AND ADDITIONAL PAYMENTS; SECURITY**

SECTION 4.1 Payment of Installment Payments. .... 10  
SECTION 4.2 Overdue Payments. .... 10  
SECTION 4.3 Budget and Appropriation. .... 10  
SECTION 4.4 Assignment of Rights Under the Agreement. .... 11  
SECTION 4.5 Deed of Trust; Release of Mortgaged Property. .... 11  
SECTION 4.6 Additional Payments. .... 13  
SECTION 4.7 No Set-Off or Recoupment. .... 13

**ARTICLE V**  
**INSURANCE**

SECTION 5.1 Comprehensive General Liability. .... 14  
SECTION 5.2 Workers’ Compensation. .... 14  
SECTION 5.3 Casualty and Theft Insurance. .... 14  
SECTION 5.4 Title Insurance. .... 15  
SECTION 5.5 General Insurance Provisions. .... 15

**ARTICLE VI**  
**DAMAGE, DESTRUCTION AND EMINENT DOMAIN;**  
**USE OF NET PROCEEDS**

SECTION 6.1 Deposit of Net Proceeds. .... 17  
SECTION 6.2 Application of Net Proceeds. .... 17

**ARTICLE VII**  
**COVENANTS OF THE COUNTY**

SECTION 7.1 Construction. .... 18  
SECTION 7.2 Installation of Additional Improvements; Modification of Mortgaged Property. 18  
SECTION 7.3 Access to Mortgaged Property. .... 19  
SECTION 7.4 Maintenance, Utilities, Taxes and Assessments. .... 19  
SECTION 7.6 Indemnification. .... 20  
SECTION 7.7 Compliance with Master Trust Agreement. .... 20

**ARTICLE VIII**  
**ASSIGNMENT, LEASING AND AMENDMENT**

SECTION 8.1 Assignment by the Corporation. .... 21  
SECTION 8.2 Assignment and Lease by the County. .... 21  
SECTION 8.3 Amendments and Supplements. .... 21

**ARTICLE IX**  
**EVENTS OF DEFAULT AND REMEDIES**

SECTION 9.1 Events of Default Defined. .... 22  
SECTION 9.2 Remedies on Default. .... 22

SECTION 9.3 No Remedy Exclusive. ....	23
SECTION 9.4 Agreement to Pay Attorneys’ Fees and Expenses. ....	23
SECTION 9.5 No Additional Waiver Implied by One Waiver. ....	24
SECTION 9.6 Application of the Proceeds upon Default. ....	24
SECTION 9.7 Trustee and Owners to Exercise Rights. 24	
SECTION 9.8 Notices to Rating Agencies. ....	24

**ARTICLE X**

**PREPAYMENT OF INSTALLMENT PAYMENTS**

SECTION 10.1 [Reserved] .....	25
SECTION 10.2 Optional Prepayment. ....	25
SECTION 10.3 Credit for Amounts on Deposit; Effect of Prepayment. ....	25

**ARTICLE XI**

**MISCELLANEOUS**

SECTION 11.1 Notices. ....	26
SECTION 11.2 Binding Effect. ....	27
SECTION 11.3 Severability. ....	27
SECTION 11.4 Execution in Counterparts. ....	27
SECTION 11.5 Applicable Law. ....	27

Exhibit A     Description of the School Project .....	A-1
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## MASTER INSTALLMENT FINANCING AGREEMENT

This MASTER INSTALLMENT FINANCING AGREEMENT, dated as of January 1, 2018 between the COUNTY OF MONTGOMERY, NORTH CAROLINA, a political subdivision of the State of North Carolina (**the “County”**), and MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION, a nonprofit corporation organized and existing under the laws of the State of North Carolina (**the “Corporation”**);

### WITNESSETH:

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

WHEREAS, the County desires to design, acquire, construct and equip certain County capital improvements to be located in the County consisting of (a) a new public high school pursuant to a plan between the County and The Montgomery County Board of Education (**the “Board of Education”**), as more fully described in Exhibit A hereto (**the “School Project”**);

WHEREAS, the Corporation is willing to advance moneys to the County from time to time to pay the costs, together with any other available funds, of acquiring, constructing, furnishing and equipping the School Project, and the County is willing to repay the moneys so advanced by the Corporation in installments as more fully provided herein;

WHEREAS, all or portions of the School Project will be located on real property owned by the County;

WHEREAS, in order to secure repayment of the advances by the Corporation and the performance by the County of its other obligations under this Master Agreement, the County has executed and delivered to \_\_\_\_\_, as deed of trust trustee, a Deed of Trust, dated as of January 1, 2018 (**the “Deed of Trust”**), for the benefit of the Corporation, granting a lien on certain of the real and personal property, or interests therein, specified and, where applicable, all improvements and fixtures located and to be located thereon, excluding data processing or telecommunications equipment and mobile or modular classrooms located on the Site (**the “Mortgaged Property”**);

WHEREAS, in order to provide the moneys to be advanced to the County pursuant to this Master Agreement, the Corporation will execute and deliver limited obligation bond anticipation notes, each evidencing proportionate and undivided interests in the right to receive Installment Payments (hereinafter defined) to be made by the County under this Master Agreement (**“Notes”**), such Notes to be payable solely from the sources provided in the Master Trust Agreement;

WHEREAS, the Notes will be executed and delivered by the Corporation pursuant to a Master Trust Agreement, dated as of January 1, 2018, as it may be supplemented and amended from time to time (**the “Master Trust Agreement”**), between the Corporation and U.S. Bank National Association, as trustee (**the “Trustee”**); and

WHEREAS, the County and the Corporation have each duly authorized the execution and delivery of this Master Agreement;

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

**ARTICLE I**  
**DEFINITIONS AND RULES OF CONSTRUCTION**

SECTION 1.1 Definitions.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Trust Agreement. In addition to the capitalized terms defined elsewhere in this Master Agreement, the following capitalized terms shall have the following meanings unless some other meaning is plainly intended.

“Act” means Section 160A-20 of the General Statutes of North Carolina.

“Additional Payments” means the additional payments required to be made by the County pursuant to Section 4.6.

“Advancement” means an Advancement made pursuant to Section 3.1 and a Supplemental Agreement, in order to (a) pay School Project Costs relating to the School Project or any Completion Project, (b) refund all or any portion of the Notes then Outstanding and (c) pay Costs of Issuance incurred in connection with the execution, sale and delivery of any Notes.

“Agreement” means this Master Agreement, together with all Supplemental Agreements.

“Board” means the Board of Commissioners of the County.

“Completion Project” means any building, facility, fixture or other improvement financed by an Advancement pursuant to Section 3.1 to cause the completion of the School Project.

“County” means the County of Montgomery, North Carolina, a political subdivision of the State, and any successor entity.

“Corporation” means Montgomery County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State, and any successor entity.

“Deed of Trust” means the Deed of Trust, of even date herewith, from the County to the Deed of Trust Trustee, for the benefit of the Corporation, granting a lien on the Mortgaged Property, including any amendment or supplement thereto as permitted thereby and by the Master Trust Agreement. “Deed of Trust” also means and includes any other deed of trust from the County to a deed of trust trustee named therein for the benefit of the Corporation granting a lien on the Mortgaged Property.

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

“Event of Nonappropriation” means (a) the failure by the Board to budget and appropriate in its budget for any Fiscal Year moneys sufficient to pay all Installment Payments (reasonably estimated in the case of any Installment Payments based on a variable interest rate) and the

reasonably estimated Additional Payments coming due in such Fiscal Year or (b) the deletion by the Board from its duly adopted budget of any appropriation made for the purposes specified in clause (a) above. In the event that during any Fiscal Year, Additional Payments shall become due and payable that were not included in the County's current budget, and if there are no moneys available to pay such Additional Payments within sixty (60) days subsequent to the date upon which such Additional Payments are due and payable, an Event of Nonappropriation shall be deemed to have occurred upon notice being given by the Trustee to the County to such effect.

"First Supplemental Agreement" means the First Supplemental Installment Financing Agreement, dated as of January 1, 2018, between the County and the Corporation, setting forth the terms and provisions with respect to the Advancement pursuant to this Master Agreement, including any amendment or supplement thereto.

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

"Installment Payments" means all of the payments required to be paid by the County pursuant to Section 4.1 and the provisions of any Supplemental Agreement in order to repay the Advancements with interest as specified in the Supplemental Agreement.

"Local Government Commission" means the Local Government Commission, a division of the department of the State Treasurer of the State.

"Master Agreement" means this Master Installment Financing Agreement, dated as of January 1, 2018, between the County and the Corporation, including any amendment or supplement thereto.

"Master Trust Agreement" means the Master Trust Agreement, dated as of January 1, 2018, between the Corporation and the Trustee, including any amendment or supplement thereto.

"Mortgaged Property" means the Site, all improvements and fixtures located and to be located thereon, and all other property subject to the lien created by the Deed of Trust, excluding data processing or telecommunications equipment and mobile or modular classrooms located on the Site.

"Permitted Encumbrances" means and includes (a) liens for taxes, assessments and other governmental charges due but not yet payable; (b) landlord's, warehouseman's, carrier's, worker's, vendor's, mechanic's and materialmen's liens and similar liens incurred in the ordinary course of business remaining undischarged for not longer than sixty (60) days from the filing thereof; (c) attachments remaining undischarged for not longer than sixty (60) days from the making thereof; (d) liens in respect of pledges or deposits under workers' compensation laws, unemployment insurance or similar legislation and in respect of pledges or deposits to secure bids, tenders, contracts (other than contracts for the payment of money), leases or statutory obligations, or in connection with surety, appeal and similar bonds incidental to the conduct of litigation; (e) the lien created by the Deed of Trust and any lease of all or any portion of the Mortgaged Property



permitted by Section 8.2; (f) this Master Agreement; (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date the property subject to such encumbrance becomes Mortgaged Property and that the County certifies to the Trustee in writing will not materially impair the use of such Mortgaged Property for its intended purpose; (h) the Trust Agreement; (i) any other encumbrances described in a policy of title insurance required by Section 5.4. and (j) mortgages, deeds of trust or similar encumbrances upon the Mortgaged Property that by the terms thereof or by operation of law are subordinate and junior to the lien and security interest created under the Deed of Trust.

“School Project” means the land, buildings, facilities and other improvements identified in Exhibit A which are to be financed in whole or in part by the County from proceeds of Advancements.

“Site” means the real property subject to the lien of the Deed of Trust as described in the Deed of Trust, which may include both fee interests or lesser interests in such real property.

“State” means the State of North Carolina.

“Supplemental Agreement” means the First Supplemental Agreement and each other supplement to this Master Agreement setting forth the terms and provisions with respect to an Advancement to be made pursuant to such Supplemental Agreement.

#### SECTION 1.2 Rules of Construction.

Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words “hereby,” “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this Master Agreement as a whole and not to any particular Article, Section or subsection hereof. All references herein to “Articles,” “Sections” and other subsections are to the corresponding Articles, Sections or subsections of this Master Agreement unless some other reference is indicated. All references herein to specific sections or chapters of the General Statutes of North Carolina or to specific legislative acts are intended to be references to such section, chapters and acts as amended and as they may be amended from time to time by the General Assembly of North Carolina, or any successor statute.

**ARTICLE II**  
**REPRESENTATIONS OF THE COUNTY AND THE CORPORATION**

SECTION 2.1 Representations, Covenants and Warranties of the County.

The County represents, covenants and warrants to the Corporation as follows:

- (a) The County is a political subdivision of the State.
- (b) The Constitution and laws of the State authorize the County to (i) execute and deliver this Master Agreement and the Deed of Trust, (ii) enter into the transactions contemplated hereby and thereby and (iii) perform its obligations hereunder and thereunder.
- (c) The County has duly authorized the execution and delivery of this Master Agreement and the Deed of Trust in accordance with the Constitution and laws of the State.
- (d) Neither the execution and delivery of this Master Agreement and the Deed of Trust, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions or its organizational documents or any agreement or instrument to which the County is now a party or by which the County or its property is bound, or constitutes a default under any of the foregoing.
- (e) Other than building permits or other procedural requirements which are a prerequisites to the construction of the School Project and the approval of this Master Agreement and any Supplemental Agreement by the Local Government Commission as required by the Act, no approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Master Agreement or the Deed of Trust and any other documents related thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.
- (f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County challenging the validity or enforceability of this Master Agreement or the Deed of Trust or any other agreements of the County relating hereto or thereto or the performance by the County of its obligations under this Master Agreement or the Deed of Trust.

SECTION 2.2 Representations, Covenants and Warranties of the Corporation.

The Corporation represents, covenants and warrants to the County as follows:

- (a) The Corporation is a nonprofit corporation organized, existing and in good standing under the laws of the State.

(b) The Corporation's articles of incorporation and bylaws authorize the Corporation to (i) execute and deliver this Master Agreement and the Master Trust Agreement, (ii) enter into the transactions contemplated hereby and thereby and (iii) perform its obligations hereunder and thereunder.

(c) The Corporation has duly authorized the execution and delivery of this Master Agreement and the Master Trust Agreement.

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

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

(f) During the term of this Master Agreement, the Corporation will maintain its existence as a nonprofit corporation, will not dissolve or otherwise dispose of all or substantially all of its assets, if any, will not become a general or limited partner in any partnership or a joint venturer in any joint venture and will not combine or consolidate with or merge into any other entity or permit one or more other entities to consolidate with or merge into it.

(g) During the term of this Master Agreement, the Corporation will be qualified to do business in the State.

(h) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Corporation challenging the validity or enforceability of this Master Agreement, the Master Trust Agreement or any other agreements of the Corporation relating hereto and thereto or the performance by the Corporation of its obligations hereunder or thereunder.

SECTION 2.3 Representations, Covenants and Warranties Confirmed by Each Supplemental Agreement.

Unless otherwise provided therein, each execution and delivery by the County and the Corporation of a Supplemental Agreement shall constitute a confirmation by each party that each of the respective representations set forth in this Article made by them is true and correct at the time the execution and delivery of the Supplemental Agreement, and a reaffirmation of each of the respective covenants and warranties made by them as set forth in this Article.

**ARTICLE III**  
**ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF SCHOOL PROJECT**

SECTION 3.1 Advancements.

In consideration of the covenants, warranties and representations contained herein, and in consideration of the County's agreement to repay the moneys advanced hereunder together with interest thereon, the Corporation hereby agrees to advance to the County from time to time amounts requested by the County (**each such advance an "Advancement"**) to provide funds, together with any other available funds, to (a) pay the costs of the School Project or any Completion Project, (b) refund all or any portion of the Notes then Outstanding and (c) pay Costs of Issuance incurred in connection with the execution, sale and delivery of any Notes. Each Advancement shall be made pursuant to a Supplemental Agreement pursuant to which the County and the Corporation shall set forth the terms and conditions of such Advancement, including, without limitation, the principal amount of the Advancement, the terms for repayment thereof, the rate or rates of interest to be borne on the unpaid principal amount, or the terms under which variable interest rates thereon shall be computed, and any other terms necessary or desirable in connection with the Advancement and the execution and delivery of Notes to fund such Advancement. Any Supplemental Agreement shall comply with the requirements of Section 2.12 and Section 2.13 of the Master Trust Agreement.

An Advancement shall be made by the Corporation by causing the proceeds of the related Series of Notes to be deposited or applied in the manner specified in Section 2.12 and Section 2.13 of the Master Trust Agreement on the Closing Date for such Series of Notes. Any amounts deducted from the sales price of any Series of Notes consisting of underwriter's discount shall be included as part of the Advancement.

SECTION 3.2 Acquisition, Construction, Furnishing and Equipping of School Project; Additions to Mortgaged Property.

The County shall enter or cause to be entered into one or more contracts or purchase orders providing for the acquisition, construction, furnishing and equipping of the School Project and any Completion Project. The County shall cause the acquisition, construction, furnishing and equipping of the School Project and any Completion Project to be carried on expeditiously in accordance with the plans and specifications therefor and in compliance with all applicable ordinances and statutes and requirements of all regularly constituted authorities having jurisdiction over the same. The County shall require or cause to be required each contractor for the School Project and any Completion Project to provide performance and labor and materials payment bonds in an amount not less than the amount of the respective contract. The net proceeds received by the County from any such bond or bonds shall be paid to the Trustee for the deposit in the appropriate account of the Project Fund as directed by the County.

SECTION 3.3 Payment of Costs.

Payment of the School Project Costs and Costs of Issuance shall be made from moneys deposited with the Trustee in the Project Fund in accordance with Article III of the Master Trust Agreement. The County agrees that it will deposit or cause to be deposited in the Project Fund all amounts received by it or the Board of Education as refunds of State sales tax with respect to expenditures made in connection with the School Project and paid or reimbursed from moneys in the Project Fund.

In the Master Trust Agreement, the Corporation has set forth the procedure for payments of School Project Costs and Costs of Issuance to be paid with the proceeds of the Notes deposited in the Project Fund by the submission to the Trustee of a Requisition prepared by a County Representative. The County agrees that it will not submit any Requisitions for any cost other than School Project Costs and Costs of Issuance.

#### SECTION 3.4 Completion of School Project.

The County shall use its best efforts to cause the acquisition, construction, furnishing and equipping of the School Project and any Completion Project to be completed with all reasonable dispatch. Upon the completion of the School Project (or the applicable component thereof) and any Completion Project (or the applicable component thereof), the County shall prepare and deliver to the Trustee a Certificate of Completion as provided in Section 3.04 of the Master Trust Agreement. The Certificate of Completion shall state that the School Project (or the applicable component thereof) or Completion Project (or applicable component thereof) has been completed and that there are no mechanic's or other liens against such School Project (or applicable component thereof) or Completion Project (or applicable component thereof) for labor or materials furnished in connection therewith except for those liens which the County has provided the Trustee with full security against in accordance with Section 7.1(c). If amounts in the Project Fund remain unexpended upon completion of the School Project (or applicable component thereof) or Completion Project (or applicable component thereof), the unexpended funds in the Project Fund shall be applied in accordance with Section 3.04 of the Master Trust Agreement.

**ARTICLE IV**  
**PAYMENT OF INSTALLMENT PAYMENTS**  
**AND ADDITIONAL PAYMENTS; SECURITY**

**SECTION 4.1 Payment of Installment Payments.**

(a) The County shall repay each Advancement, with interest, in Installment Payments as provided in this Agreement. The terms for the repayment of each Advancement shall be set forth in the Supplemental Agreement under which such Advancement is made. Unless otherwise provided in the applicable Supplemental Agreement or Supplemental Trust Agreement, there may be credited against the interest component of the Installment Payments otherwise payable hereunder amounts equal to the portion of the proceeds of the sale of Notes which are deposited in the Installment Payment Fund representing accrued interest or other amounts transferred to the Installment Payment Fund pursuant to such Supplemental Agreement or Supplemental Trust Agreement. The Installment Payments shall be sufficient in the aggregate to repay each Advancement together with interest thereon in the amounts set forth in the Supplemental Agreements.

(b) At such time that all Installment Payments and Additional Payments are paid in full such that the Master Trust Agreement shall be discharged and cancelled by its terms as a result of such payment, this Master Agreement and the County's obligations hereunder shall terminate, and any amounts remaining in the Installment Payment Fund and the Project Fund shall be paid to the County.

**SECTION 4.2 Overdue Payments.**

In the event the County should fail to make any of the Installment Payments required by this Article, the Installment Payments in default shall continue as an obligation of the County until the amount in default shall have been fully paid, and the County agrees to pay interest on the principal component of the Installment Payments in default from the date such amount was originally payable at the rate corresponding to the interest rate payable with respect to the Notes relating to such Installment Payments.

**SECTION 4.3 Budget and Appropriation.**

(a) The County Manager of the County (or any other officer at any time charged with the responsibility for formulating budget proposals) shall include in the budget proposals for review and consideration by the Board in each Fiscal Year in which this Master Agreement shall be in effect, items for all Installment Payments (reasonably estimated in the case of any Installment Payments based on a variable interest rate) and reasonably estimated Additional Payments required for such Fiscal Year under this Master Agreement. After the adoption of each annual budget the County shall promptly deliver to the Trustee a certificate signed by a County Representative to the effect that such budget does or does not include funds for the payment of all Installment Payments and Additional Payments required for such Fiscal Year. In addition the County shall promptly provide to the Trustee notice of any amendments to its annual budget affecting appropriations for

Installment Payments or Additional Payments. The County shall promptly provide notice of any Event of Nonappropriation to the Corporation, the Trustee, the Local Government Commission and each Rating Agency then rating any of the Outstanding Notes.

(b) NO PROVISION OF THE AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THE AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THE AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THE AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS, WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE UNDER THE AGREEMENT WILL IN NO WAY OBLIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THE AGREEMENT, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THE AGREEMENT. No provision of the Agreement shall be construed to pledge or to create a lien on any class or source of the County's moneys, nor shall any provision of the Agreement restrict the future issuance of any of the County's notes, bonds or other indebtedness. To the extent of any conflict between this Section and any other provision of the Agreement, this Section shall take priority.

#### SECTION 4.4 Assignment of Rights Under the Agreement.

All of the Corporation's rights, title and interest in and to the Agreement, including the right to receive and enforce payment of the Installment Payments and Additional Payments to be made by the County hereunder (except for certain reserved rights as set forth in the Master Trust Agreement), have been assigned to the Trustee pursuant to the Master Trust Agreement. The Corporation hereby directs the County, and the County hereby agrees, to pay to the Trustee at such place as the Trustee shall direct all Installment Payments payable by the County hereunder, such payments to be applied to the payments of principal and interest with respect to the Notes. The Corporation shall not pledge, assign or grant a security interest in the Installment Payments or other rights of the Corporation under the Agreement, except as provided under the terms of this Master Agreement and the Master Trust Agreement. The County agrees that the Trustee shall be entitled to enforce and to benefit from the terms and conditions of the Agreement notwithstanding the fact that it is not a signatory hereto.

#### SECTION 4.5 Deed of Trust; Release of Mortgaged Property.

(a) In order to secure its obligation to make the Installment Payments and its other obligations under the Agreement, the County has executed and delivered the Deed of Trust to the Deed of Trust Trustee simultaneously with the execution and delivery of this Master Agreement. All of the Corporation's rights, title and interest in and to the Deed of Trust have been assigned to the Trustee pursuant to the Master Trust Agreement.

(b) At any time and from time to time, so long as no event of default has occurred and is continuing under the Agreement or the Deed of Trust, the Deed of Trust Trustee and the Trustee shall be required to release a portion of the Mortgaged Property from the lien and security interest created by the Deed of Trust when and if the following requirements have been met:

(i) there is filed with the Deed of Trust Trustee and the Trustee, as assignee of the Corporation's rights as beneficiary under the Deed of Trust, a certified copy of a resolution of the Board stating that the County desires the release of such portion of the Mortgaged Property, giving an adequate legal description of the portion of the Mortgaged Property to be released, requesting such release and providing for the payment by the County of all expenses in connection with such release;

(ii) either (A) the value of the Mortgaged Property remaining after the proposed release (as such value is evidenced by or derived from an appraisal of the remaining Mortgaged Property prepared by a certified MIA-approved appraiser), is not less than 50% of the aggregate principal components of the Installment Payments relating to the Notes then Outstanding, or (B) the County (1) provides for substitution other property with title and environmental status acceptable to the Trustee (**the "Substitute Property"**) that will be made subject to the lien of the Deed of Trust that has a value such that the combined value of the remaining Mortgaged Property and the Substitute Property (as such value is evidenced by or derived from an appraisal of the remaining Mortgaged Property and the Substitute Property prepared by a certified MIA-approved appraiser) is not less than the value of the Mortgaged Property immediately before the proposed substitution or is not less than 50% of the aggregate principal components of the Installment Payments relating to the Notes then Outstanding, (2) delivers to the Deed of Trust Trustee and the Trustee an opinion of bond counsel to the County to the effect that the substitution of such property (aa) is permitted by law and is permitted under the terms of the Agreement, the Trust Agreement and the Deed of Trust and (bb) for any Notes with respect to which interest is intended to be excludable from the gross income of the owners thereof for federal or state income tax purposes, that such release and substitution will not adversely affect the exclusion of interest with respect to such Notes from the gross income of the owners thereof for federal or state income tax purposes and (3) at the sole cost of the County, records an amendment or modification to the Deed of Trust or such other instruments necessary to reflect such release and/or substitution of the Mortgaged Property at the place and in the manner required by the laws of the State; and

(iii) such release shall not prohibit the County's ingress, egress and regress to and from the remainder of the Mortgaged Property not being released, or materially interfere with the use of the remainder of the Mortgaged Property not being released, as evidenced by a certificate of a County Representative filed with the Deed of Trust Trustee and the Trustee.



The County shall provide notice to each Rating Agency of the release of any of the Mortgaged Property pursuant to this Section.

**SECTION 4.6 Additional Payments.**

(a) In addition to the Installment Payments, the County shall also pay to such persons as are entitled thereto such amounts (“**Additional Payments**”) as shall be required for the payment of all administrative and other costs relating to the School Project, any Completion Project or the Notes, including, without limitation, (i) all expenses and compensation of the Trustee, the Local Government Commission, the provider of any credit facility or liquidity facility relating to any Notes and any fiscal agents required to administer the terms of any Notes (such as remarketing agents, auction agents, tender agents or paying agents); (ii) taxes of any sort whatsoever payable by the Corporation as a result of its undertaking of the transactions contemplated hereby or by the Master Trust Agreement; (iii) fees of auditors, accountants, attorneys or engineers; (iv) all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Notes or of the Trust Agreement or to indemnify any Indemnified Party pursuant to Section 7.6; and (v) any other payments specified as Additional Payments under a Supplemental Agreement.

**SECTION 4.7 No Set-Off or Recoupment.**

Subject to the provisions of Section 4.3, the obligation of the County to pay the Installment Payments and Additional Payments hereunder and to perform and observe the other covenants under the Agreement shall be absolute and unconditional, and the County shall pay without abatement, diminution or deduction all such amounts regardless of any cause or circumstance whatsoever, including, without limitation, (a) any damage, destruction or taking by eminent domain of the School Project, any Completion Project or the Mortgaged Property or (b) any defense, set-off, recoupment or counterclaim that the County may have against the Corporation, the Trustee or any Owner.

## **ARTICLE V INSURANCE**

### **SECTION 5.1 Comprehensive General Liability.**

(a) The County shall maintain or cause to be maintained throughout the term of this Master Agreement a comprehensive general liability policy or policies in protection of the County, its officers, agents and employees. Said policy shall cover such losses and for such amounts and shall have such deductible amounts as shall be satisfactory to the Board and, in the judgment of the Board, shall protect the County against losses not protected under the principles of sovereign immunity.

(b) The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

### **SECTION 5.2 Workers' Compensation.**

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

### **SECTION 5.3 Casualty and Theft Insurance.**

(a) The County shall procure and maintain, or cause to be procured and maintained, throughout the term of this Master Agreement insurance against loss or damage to any portion of the Mortgaged Property by fire and lightning, with extended coverage, and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance policies shall name the Trustee as an additional insured. To the extent that any contractor shall provide an insurance policy or certificate of insurance (naming the Trustee as an additional insured) demonstrating that the same coverage as is required by this subsection is being carried by such contractor with respect to the Mortgaged Property or any part thereof and adequately protects the interest of the County, the Corporation and the Trustee, the insurance provided for by this subsection shall not be required with respect to the Mortgaged Property or such part thereof while the Mortgaged Property or such part thereof is so covered by such other insurance.

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

(c) The Net Proceeds of such insurance shall be deposited in the Net Proceeds Fund and applied as provided in Section 6.1.

SECTION 5.4 Title Insurance.

The County shall obtain at the time of execution of this Master Agreement one or more mortgagee's title insurance policies (or coverage endorsements to existing policies) on the Site insuring the County's fee simple interest in said property, subject only to Permitted Encumbrances, in an amount equal to the principal amount of the Notes. Thereafter, if any additional tracts of real property are made subject to the Deed of Trust pursuant to Section 3.2 the County will obtain one or more mortgagee's title insurance policies (or coverage endorsements to existing policies) insuring the County's fee simple interest or other interest in said property, subject only to Permitted Encumbrances, in an amount equal such that the aggregate amount of coverage is equal to the principal amount of the Notes.

Any title insurance policy obtained pursuant to this Section shall name as the insured party thereunder the Corporation and the Trustee, as their respective interest may appear. The Net Proceeds of such insurance shall be deposited in the Net Proceeds Fund and applied as provided in Section 6.1.

SECTION 5.5 General Insurance Provisions.

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

(b) Except as otherwise provided in subsection (d) of this Section, all insurance policies required by this Article shall be issued by a responsible carrier authorized to do business under the laws of the State.

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

(d) In lieu of obtaining the policies of insurance required by Section 5.1, Section 5.2 and Section 5.3, the County may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the County and that provide comparable coverages required by such sections. In addition, any insurance coverage pursuant to this Article (other than Section 5.4) may be pursuant to a program whereby the County self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Article.

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

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

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

**ARTICLE VI  
DAMAGE, DESTRUCTION AND EMINENT DOMAIN;  
USE OF NET PROCEEDS**

SECTION 6.1 Deposit of Net Proceeds.

The Trustee shall deposit Net Proceeds of insurance which it receives in the Net Proceeds Fund as provided in Section 5.3 (regarding casualty and theft insurance) and Section 5.4 (regarding title insurance) promptly upon receipt thereof. The County shall transfer to the Trustee for deposit in the Net Proceeds Fund any other Net Proceeds received by the County in the event of any damage, destruction, theft or taking by eminent domain or condemnation with respect to the Mortgaged Property.

SECTION 6.2 Application of Net Proceeds.

(a) The Trustee shall disburse moneys in the Net Proceeds Fund to the person, firm or corporation named in the requisition as authorized by Section 6.02 of the Master Trust Agreement to repair or replace the Mortgaged Property to a condition substantially similar to its condition prior to the loss, casualty or other event giving rise to receipt of such Net Proceeds. The County Representative must state in the requisition with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein relates to a capital cost, has been properly incurred, is a proper charge against the Net Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

Any balance of Net Proceeds remaining after such replacement or repair has been completed shall be transferred to the Installment Payment Fund and applied to make Installment Payments as the same become due. After payment or provision for payment of all Notes Outstanding as provided in Section 6.02 of the Master Trust Agreement, any balance of Net Proceeds shall be paid to the County.

(b) [Reserved] (c) The Trustee shall apply the Net Proceeds and any other funds made available by the County in the County's discretion to the replacement and repair of the Mortgaged Property with such changes as may be necessary to cause the replacement and repair to be made from the funds available therefor; provided, however, that no change may be made that would result in a use of the Mortgaged Property different from that which existed prior to the event giving rise to the receipt of Net Proceeds. If Net Proceeds are applied for such purpose, moneys shall be disbursed from the Net Proceeds Fund in the manner provided in Section 6.2(a).

**ARTICLE VII  
COVENANTS OF THE COUNTY**

**SECTION 7.1 Construction.**

The County shall comply or cause compliance with the provisions of applicable law and enter into or cause to be entered into one or more contracts or purchase orders providing for the acquisition, construction, furnishing and equipping of the School Project and any Completion Project. The County shall require the acquisition, construction, furnishing and equipping of the School Project and any Completion Project to be carried on expeditiously in accordance with the plans and specifications therefor, all applicable ordinances and statutes, and in accordance with the requirements of all regularly constituted authorities having jurisdiction over same.

**SECTION 7.2 Installation of Additional Improvements; Modification of Mortgaged Property.**

(a) The County may at any time and from time to time, in its sole discretion and at its own expense, construct or cause or allow to be constructed additional improvements and install or permit to be installed items of equipment or other personal property in or upon any portion of the Mortgaged Property that do not materially impair the effective use, nor materially decrease the value, of the Mortgaged Property. All such items shall be subject to the lien of the Deed of Trust to the extent provided therein. The County shall repair and restore at its own expense any and all damage resulting from the construction or installation of such improvements or equipment.

(b) The County shall have the right, at its own expense, to make or allow modifications and improvements to any portion of the Mortgaged Property if such modifications or improvements are necessary or beneficial for the use of the Mortgaged Property. Such modifications or improvements shall not in any way damage any portion of the Mortgaged Property (unless such damage is to be repaired as provided in subsection (a) of this Section) or cause it to be used for purposes other than those authorized under the provisions of State and federal law or which would impair the exclusion from gross income for federal income tax purposes of the interest component of the Installment Payments relating to any Notes intended to be exempt for federal income tax purposes; and the Mortgaged Property, upon completion of any modifications or improvements made pursuant to this Section, shall be of a value which is not less than the value of the Mortgaged Property immediately prior to the making of such modifications and improvements.

(c) Except for Permitted Encumbrances, the County will not permit any mechanic's or other lien to be established or remain against the Mortgaged Property for labor or materials furnished in connection with any modifications or improvements made by the County pursuant to this Section; provided, however, that if any such lien is established, the County may in good faith contest any lien filed or established against the Mortgaged Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or

forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee.

SECTION 7.3 Access to Mortgaged Property.

The County agrees that the Corporation and the Trustee, and any of their officers, agents, employees or representatives, shall have the right at all reasonable times to enter upon the Mortgaged Property or any portion thereof to inspect the Mortgaged Property. The County shall cause any contractor or subcontractor to cooperate with the Corporation and the Trustee, and any of their officers, agents, employees or representatives, during such inspections.

No right of inspection contained herein shall be deemed to impose upon the Corporation or the Trustee any duty or obligation whatsoever to undertake any inspection. No inspection made shall be deemed to impose upon the Corporation or the Trustee any duty or obligation whatsoever to identify or correct any defects in the Mortgaged Property or to notify any person with respect thereto, and no liability shall be imposed upon the Corporation or the Trustee and no warranties (either express or implied) are made by the Corporation or the Trustee as to the quality or fitness of any improvement, any such inspection and approval being given solely for the benefit of the Corporation and Trustee, respectively.

SECTION 7.4 Maintenance, Utilities, Taxes and Assessments.

(a) The County shall provide for the repair and replacement of any portion of the Mortgaged Property necessary on account of ordinary wear and tear or want of care, and shall conduct and complete all investigations, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials (as defined in Section 8.07(e) of the Master Trust Agreement) on, from and affecting the Mortgaged Property in accordance with all applicable Environmental Laws (as defined in Section 8.07(e) of the Master Trust Agreement).

(b) The County shall also pay or cause to be paid all utilities, taxes, assessments or other charges of any type or nature levied, assessed or charged against any portion of the Mortgaged Property; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) The County may, at its expense and in its name, in good faith contest any such utilities, taxes, assessments or other charges and, in the event of any such contest, may permit such utilities, taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided, however, that prior to such nonpayment it shall furnish to the Trustee a written opinion of counsel to the effect that, by nonpayment of any such items, the interest of the Trustee as beneficiary under the Deed of Trust will not be materially endangered and that the Mortgaged Property will not be subject to loss or forfeiture. Otherwise, the County shall promptly pay such utilities, taxes, assessments or charges or make provisions for the payment thereof.

SECTION 7.5 Encumbrances.

Except as provided in this Article or in the Deed of Trust, the County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim, as applicable, on or with respect to the Mortgaged Property, other than Permitted Encumbrances, and shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible if the same shall arise at any time; provided, however, that the County may contest any such mortgage, pledge, lien, charge, encumbrance or claim if it desires to do so and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item in form satisfactory to the Trustee.

SECTION 7.6 Indemnification.

To the extent permitted by law, the County covenants to defend, indemnify and hold harmless the Corporation and the Trustee and each of their respective directors, officers and employees (**collectively, the “Indemnified Party”**) against any and all losses, claims, damages or liabilities, joint or several, including reasonable fees and expenses incurred in connection therewith, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the School Project, any Completion Project or the Mortgaged Property and the transactions contemplated by this Master Agreement, the Master Trust Agreement or the Deed of Trust and shall reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Master Agreement, the Master Trust Agreement or the Deed of Trust, whether such loss or claim is asserted prior to termination of this Master Agreement or thereafter. In particular, without limitation, the County shall and hereby agrees to indemnify and save the Indemnified Party harmless from and against all claims, losses and damages, including reasonable legal fees and expenses, arising out of any breach or default on the part of the County in the performance of any of its obligations under this Master Agreement.

SECTION 7.7 Compliance with Master Trust Agreement.

The County covenants to comply with all provisions of the Master Trust Agreement imposing any duty or obligation on the County notwithstanding that the County is not a signatory to the Master Trust Agreement.



**ARTICLE VIII  
ASSIGNMENT, LEASING AND AMENDMENT**

SECTION 8.1 Assignment by the Corporation.

Except as provided herein and in the Master Trust Agreement, the Corporation shall not assign its rights under the Agreement to any other person, firm or corporation.

SECTION 8.2 Assignment and Lease by the County.

(a) The Agreement may not be assigned by the County.

(b) The County may lease all or any portion of the School Project, any Completion Project or the Mortgaged Property, subject to all of the following conditions:

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

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

(iii) no lease by the County shall cause the School Project, any Completion Project or the Mortgaged Property to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State;

(iv) no lease shall cause the interest component of the Installment Payments relating to any Notes intended to be exempt for federal income tax purposes to become includable in gross income for federal income taxation purposes; and

(v) in the case of a lease of any of the Mortgaged Property, such lease shall be subordinate in all respects to the lien of the Deed of Trust.

SECTION 8.3 Amendments and Supplements.

Except with respect to entering into a Supplemental Agreement providing for, and setting forth the terms of, an Advancement and the Notes to be executed and delivered in connection therewith, this Master Agreement may be amended or supplemented only as provided in Article IX of the Master Trust Agreement.

**ARTICLE IX  
EVENTS OF DEFAULT AND REMEDIES**

**SECTION 9.1 Events of Default Defined.**

The following shall be “events of default” under this Master Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Master Agreement, any one or more of the following events:

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

(b) the occurrence of an Event of Nonappropriation;

(c) failure by the County to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect to the Agreement, other than as referred to in clause (a) or (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Trustee or the Owners of not less than 25% in aggregate principal amount of Notes then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period and if corrective action is instituted by the County within the applicable period and diligently pursued, the County shall have an additional period to correct the failure of the amount of time necessary to correct such failure if diligently pursued;

(d) filing by the County of a case in bankruptcy, or the subjection of any right or interest of the County under this Master Agreement to any execution, garnishment or attachment, or adjudication of the County as bankrupt, or assignment by the County for the benefit of creditors, or the entry by the County into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted;

(e) the occurrence of an event of default under the Deed of Trust; or

(f) the occurrence of any event specified in a Supplemental Agreement as being an “event of default” under this Master Agreement.

**SECTION 9.2 Remedies on Default.**

Upon the occurrence of any event of default the Trustee may, subject to Section 9.7, or at the request of the Owners of not less than a majority in aggregate principal amount of the Notes then Outstanding shall, without any further demand or notice, exercise any one or more of the following remedies:

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

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

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

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

#### SECTION 9.3 No Remedy Exclusive.

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

#### SECTION 9.4 Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party to this Master Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the non-defaulting party, subject to the limitations and provisions of Section 6-21.2 of the General Statutes of North Carolina, the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 9.5 No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Master Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder except as may be provided by law.

SECTION 9.6 Application of the Proceeds upon Default.

All amounts received by the Trustee under this Article shall be applied as provided in Section 12.05 of the Master Trust Agreement.

SECTION 9.7 Trustee and Owners to Exercise Rights.

The rights and remedies under this Article have been assigned by the Corporation to the Trustee under the Master Trust Agreement. Such rights and remedies shall be exercised by the Trustee and the Owners as provided in the Master Trust Agreement.

SECTION 9.8 Notices to Rating Agencies.

The County shall promptly give notice to any Rating Agency then rating any of the Notes of the occurrence of any event of default specified under Section 9.1(a) or (b).

**ARTICLE X**  
**PREPAYMENT OF INSTALLMENT PAYMENTS**

SECTION 10.1 [Reserved]

SECTION 10.2 Optional Prepayment.

The County may prepay, in whole or in part, the principal components of Installment Payments relating to a particular Series of Notes as provided in the Supplemental Trust Agreement for such Series of Notes, on the dates, at the prepayment prices and in the manner provided in such Supplemental Trust Agreement.

SECTION 10.3 Credit for Amounts on Deposit; Effect of Prepayment.

(a) In the event of prepayment of the Installment Payments in full under this Article and the payment of all Additional Payments such that the Master Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund shall be credited toward the amounts then required to be so prepaid.

(b) In the event that the County prepays in whole the remaining Installment Payments pursuant to Section 10.2, the County's obligations hereunder shall thereupon cease and terminate, including, but not limited to, the County's obligation to continue to pay Installment Payments, except for such Additional Payments as are then due and owing (including any Additional Payments that may come due as a result of such prepayment) or as otherwise provided for herein.

**ARTICLE XI  
MISCELLANEOUS**

SECTION 11.1 Notices.

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

If to the County:	County of Montgomery Post Office Box 425 102 East Spring Street, 3 <sup>rd</sup> Floor Troy, North Carolina 27371 Attention: County Manager
If to the Corporation:	Montgomery County Public Facilities Corporation c/o County of Montgomery Post Office Box 425 102 East Spring Street, 3 <sup>rd</sup> Floor Troy, North Carolina 27371 Attention: County Manager
If to the Trustee:	U.S. Bank National Association 214 North Tryon Street 27 <sup>th</sup> floor, Hearst Tower Charlotte, North Carolina 28202 Attention: Corporate Trust Department
If to Moody's:	Moody's Investors Service, Inc. 99 Church Street New York, New York 10007 Attention: Public Finance Department
If to S&P:	Standard & Poor's Ratings Services 55 Water Street New York, New York 10004 Attention: Public Finance Department

The parties listed above, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

SECTION 11.2 Binding Effect.

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

SECTION 11.3 Severability.

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

SECTION 11.4 Execution in Counterparts.

This Master Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.5 Applicable Law.

This Master Agreement shall be construed and governed in accordance with the laws of the State.

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

COUNTY OF MONTGOMERY, NORTH CAROLINA

[SEAL]

By: \_\_\_\_\_

Chairman, Board of County Commissioners

Attest:

County Clerk

MONTGOMERY COUNTY PUBLIC FACILITIES CORPORATION

[SEAL]

By: \_\_\_\_\_

President

Attest:

Secretary/Treasurer



[Signature page to the Master Installment Financing Agreement, dated as of January 1, 2018, between the County of Montgomery, North Carolina and the Montgomery County Public Facilities Corporation]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Secretary, Local Government Commission of North Carolina

**EXHIBIT A**  
**DESCRIPTION OF THE SCHOOL PROJECT**

The design, acquisition, construction, furnishing and equipping of a new high school to provide classrooms, technical education facilities and related facilities and to be located on a site near Montgomery Community College of approximately 83 acres that has been conveyed by the County Board of Education to the County.