
FACILITIES LEASE AGREEMENT

By and Between

CFC - SO TRAINING FACILITY, LLC
(*“Lessor”*)
and

FORT BEND COUNTY, TEXAS
(*“Lessee”*)

Dated as of December 1, 2023

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This **FACILITIES LEASE AGREEMENT** (this “*Facilities Lease*”) dated as of December 1, 2023, by and between CFC - SO TRAINING FACILITY, LLC, a limited liability company, whose sole member is Community Finance Corporation (the “*Corporation*”) an organization described in Section 501(c)(3) of the Code and exempt from taxation under Section 501(a) of the Code, together with its successors and assigns (the “*Lessor*”) and FORT BEND COUNTY, TEXAS, a body politic and corporate and political subdivision of the State of Texas, together with its successors and permitted assigns (the “*Lessee*” or the “*County*”),

W I T N E S S E T H:

WHEREAS, the County is authorized under Section 303, Texas Local Government Code, to sponsor the creation of a public facility corporation to finance public facilities of Fort Bend County, Texas through the issuance of one or more series or issues of revenue bonds;

WHEREAS, the County has sponsored the creation of the Fort Bend County, Texas Public Facility Corporation (the “*Issuer*”) in order to facilitate the financing of the Project (defined herein) through lease revenue bonds issued by the issuer and loaned to the Lessor;

WHEREAS, the Issuer has acquired from the County certain property consisting of approximately 30 acres located in the City of Rosenberg, Fort Bend County, Texas (the “*Property*”), as more particularly described in **Exhibit A** attached hereto, incorporated herein, and, by this reference thereto, made a part hereof;

WHEREAS, as approved by the Board of the Issuer on September 12, 2023 and subject to the terms of a Ground Lease (the “*Ground Lease*”) by and between the Issuer as ground lessor and the Lessor as ground lessee dated December 1, 2023, the Issuer is leasing the Property to the Lessor pursuant Section 303.041, Texas Local Government Code for the purpose of developing the Project on the Property;

WHEREAS, the Lessor has requested that the Issuer issue its Lease Revenue Bonds, consisting of its Lease Revenue Bonds, Series 2023 in the amount of \$103,880,000 (the “*Bonds*”) pursuant to a Trust Indenture dated as of even date herewith (the “*Indenture*”), with Zions Bancorporation, National Association, as Trustee (the “*Trustee*”), in order to finance the Lessor’s construction of the Project on the Property;

WHEREAS, in connection with the issuance of the Bonds, the Lessor will enter into a Loan Agreement, dated as of even date herewith (the “*Loan Agreement*”), with the Issuer, providing for (i) a loan from the Issuer to the Lessor of the proceeds of the sale of the Bonds and (ii) repayment of such loan by the Lessor to the Issuer and pursuant to which the Lessor will assign its rights, but not its obligations, under this Facilities Lease to the Issuer; and

WHEREAS, pursuant to the Indenture, the Issuer will assign its rights, but not its obligations, under the Loan Agreement to the Trustee;

WHEREAS, the Lessor will finance the construction of the Project by pledging as security for the Bonds Rental Payments (defined herein) received from the Lessee pursuant to this Facilities Lease;

WHEREAS, the Lessor has entered into a Project Development Agreement with Stonehenge Holdings, LLC (the “*Developer*”) dated as of December 21, 2023 (the “*Development Agreement*”) in order to finance the construction of the Project;

WHEREAS, the Issuer will have fee ownership of the Property and the Project throughout the term of this Facilities Lease, and possession of the Project will revert to the Issuer upon the payment of all rent due under this Facilities Lease or the final maturity of the Bonds;

WHEREAS, the County has identified the need for branch office buildings, including County Sheriff’s offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in the County (the “*Project*”);

WHEREAS, the Project will increase the level of public safety and enhance the law enforcement capabilities in the County;

WHEREAS, Section 263.053, Texas Local Government Code, authorizes a county with a population of more than 250,000 to sell land, buildings, facilities or equipment for the purpose of making contracts for the lease or rental of land, buildings, facilities, or equipment or for receiving services from others for county purposes, and further authorizes the County to pay for such facilities and equipment from the general fund of the County if the Commissioners Court determines that the facilities and equipment are essential for the administration of county government;

WHEREAS, County has a population greater than 250,000 and has sold the Property to the Issuer for the purpose of making contracts for the development and lease of the Project for County purposes;

WHEREAS, the Commissioners Court has determined that the Project is essential for the administration of county government;

WHEREAS, pursuant to Section 292.003, Texas Local Government Code, the Project will be located outside the county seat and within the City of Rosenberg, Texas;

WHEREAS, pursuant to Section 271.903, Texas Local Government Code, the County’s payments under this Facilities Lease will be payable annually from current revenues of the County, subject to annual appropriation with right of termination of this Facilities Lease at the end of each budget period and conditioned on a best efforts attempt by the Lessee Board to obtain and appropriate funds for payment of this Facilities Lease; provided, however, in no event is the Lessee required to pursue funding before the Lessee can terminate this Facilities Lease;

WHEREAS, this Facilities Lease provides that the County will have complete control of the Project for so long as the County continues to annually appropriate funds for such purpose;

WHEREAS, this Facilities Lease does not violate any Texas Constitutional provisions relating to the issuance of “debt” as that term is defined in Texas Constitution;

WHEREAS, the Lessee desires to enter into and perform its obligations under this Facilities Lease, in order to facilitate the Lessor's financing of the Lessor's construction of the Project, and to obtain the right to use and occupy the Project;

NOW, THEREFORE, for valuable consideration, including the mutual covenants herein contained, the receipt and sufficiency of which is hereby confessed and acknowledged, the Lessor hereby leases the Project to the Lessee upon the terms and conditions set forth in this Facilities Lease and the parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

Unless the context otherwise requires, the terms defined in this Facilities Lease shall, for all purposes of this Facilities Lease, have the meanings herein specified. Capitalized terms used herein without being defined herein shall, for the purposes of this Facilities Lease, have the meanings assigned them in the Indenture unless the context requires otherwise.

501(c)(3) Organization – shall mean an organization (i) that been determined by the Treasury to be an organization described in paragraph (3), subsection (c), of Section 501 of the Code or in the corresponding provisions of prior law, and (ii) that is exempt from federal income taxes under subsection (a) of Section 501 of the Code.

Acceptance Certificate – shall mean the certificate of the Lessee in the form of Exhibit C delivered as described in Section 6.1 hereof.

Actual Knowledge of the Lessee – shall mean the actual knowledge of the County Representative.

Administrative Fee Fund – shall mean the fund created, established, and maintained under Section 404 of the Indenture.

Administrative Fees – shall mean the fees to be paid by the Lessee hereunder for payment of (i) the Corporation Annual Fee and (ii) any Lessor Expenses, payable semi-annually pursuant to Section 10.3(a) and (b) hereof.

Affiliate – shall mean any Person (i) directly or indirectly controlling, controlled by, or under common control with the Lessor or (ii) a majority of the members of the Board of Trustees of the Member. For purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than fifty percent (50%) of the securities of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a nonprofit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the governing body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting

securities or the right to designate or elect at least a majority of the members of its governing body, by contract or otherwise.

Appropriate, Appropriated or Appropriation – shall mean the adoption by the Lessee Board of a budget or amendments to the budget for a Fiscal Year, which includes the Rental Payments, the Administrative Fees and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year.

Available Funds – shall mean money Appropriated by the Lessee from legally available sources.

Bankruptcy Action – shall mean (i) commencing any case, proceeding or other action on behalf of the Lessor under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, relief from debts, or the protection of debtors generally, (ii) instituting proceedings to have the Lessor adjudicated as bankrupt or insolvent, (iii) consenting to the institution of bankruptcy or insolvency proceedings against the Lessor, (iv) filing a petition or consenting to a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation, or other relief on behalf of the Lessor on behalf of its debts under any federal or state law relating to bankruptcy or insolvency, (v) seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or similar official for the Lessor or a substantial portion of its properties, (vi) making any assignment for the benefit of the Lessor's creditors, or (vii) taking any action or causing the Lessor to take any action in furtherance of any of the foregoing.

Bond Counsel – shall mean Hunton Andrews Kurth LLP, or such other attorney or firm of attorneys selected by the Lessor, and listed among the Municipal Bond Attorneys in The Bond Buyer's Municipal Marketplace, or any successor publication thereto.

Bond Documents – shall mean, collectively, the Indenture, the Loan Agreement, the Notes, the Development Agreement, this Facilities Lease, the Ground Lease, the Deed of Trust, the Bond Purchase Agreement and any and all other documents executed in connection with the issuance of the Bonds.

Bonds – shall mean the Series 2023 Bonds, as such term is defined in the Indenture and any additional bonds issued pursuant to the Indenture.

Checking Account – shall mean the checking account maintained by the Lessor from which the Lessor shall pay Lessor Expenses.

Claims – shall mean all claims, lawsuits, causes of action and other legal actions and proceedings of whatever nature brought (whether by way of direct action, counter claim, cross action or impleader) against any Indemnified Party, even if groundless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, to result from, to relate to or to be based upon, in whole or in part: (a) the issuance of the Bonds, (b) the duties, activities, acts or omissions of any person in connection with the issuance of the Bonds, or the obligations of the various parties arising under the Bond Documents, (c) the disposition of the proceeds of the Bonds or (d) the duties, activities,

acts or omissions of any person in connection with the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Project or any part thereof.

Closing Date – shall mean the date of initial delivery of proceeds from the sale of the Bonds as described in Section 10.1 hereof.

Code – shall mean the United States Internal Revenue Code of 1986, as amended.

Commencement Date – shall mean the Closing Date for the Bonds.

Completion Date – shall mean the date on which the Lessor's acquisition and construction of the Project is substantially complete in accordance with the Bond Documents and to the extent that the Lessee would have access to the Project and be able to conduct its business in a reasonable manner, even though minor adjustments or corrections may be necessary and minor "punch-list" items remain to be completed. The Lessor shall use its best efforts to promptly complete any punch-list items.

Contractor – shall mean any person or business entity that agrees to furnish any goods, services, material, equipment, and/or personnel relating to the development, redevelopment, construction, acquisition, preparation, modification, restoration or renovation of the Project.

Corporation – shall mean Community Finance Corporation, a non-profit corporation duly organized and existing under the laws of the State of Arizona, and sole member of the Lessor.

Corporation Annual Fee - shall have the meaning specified in Section 10.6 of this Facilities Lease.

Corporation Closing Fee - shall have the meaning specified in Section 10.6 of this Facilities Lease.

County Representative — shall mean, initially, the County Auditor Robert Sturdivant, or any other person or persons authorized to act on behalf of the Lessee.

Deed of Trust – shall mean that certain Deed of Trust and Security Agreement (With Assignment of Leases and Rents), dated as of December 1, 2023, and executed by the Issuer to Zions Bancorporation, National Association, as Mortgage Trustee, for the benefit of the Trustee under the Indenture.

Design Services Agreements – shall mean the Design Services Agreements dated as of December __, 2023, relating to the design of the Project.

Developer – shall mean Stonehenge Holdings LLC, a limited liability company duly organized and existing under the laws of the State, and its successors and assigns.

Development Agreement – shall mean that certain Project Development Agreement dated as of December __, 2023, by and between the by and between CFC - SO Training Facility, LLC, an

Arizona limited liability company and Stonehenge Holdings, LLC, a Texas limited liability company.

Event of Default – shall mean the occurrence of any of the following events:

(a) the Lessee's failure to make a Rental Payment, Administrative Fee payment, or any other payment required to be paid hereunder at the time specified herein, and such failure continues for five (5) calendar days after the due date thereof and receipt of written notice of such failure from the Lessor or Trustee, other than by reason of an Event of Nonappropriation;

(b) failure by the Lessor to deliver the Project in accordance with the terms and conditions hereof, and such failure is not cured within ninety (90) calendar days after written notice thereof is provided to the Lessor by the Lessee or the Trustee; provided, that if such failure cannot be cured within such ninety (90) day period, such failure shall not be an Event of Default if the Lessor has commenced to cure such failure within such ninety (90) day period and diligently prosecutes the cure of such failure;

(c) failure by the Lessee to observe and perform any covenant, condition or agreement, on its part to be observed or performed by it hereunder, other than as referred to in (a) above, and such failure is not cured within thirty (30) calendar days after written notice thereof is provided to the Lessee by the Lessor or the Trustee; provided, that if such failure cannot be cured within such thirty (30) day period, such failure shall not be an Event of Default if the Lessee has commenced to cure such failure within such thirty (30) day period and diligently prosecutes the cure of such failure;

(d) any material statement, representation or warranty made by the Lessee in this Facilities Lease or in any writing ever delivered by one or more of the authorized representatives of the Lessee, pursuant to a requirement in this Facilities Lease, is false or misleading in any material respect; or

(e) the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the Lessee to carry on its operations at the Project, or adjudication of the Lessee as bankrupt or assignment or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State Laws which may hereafter be enacted.

Event of Nonappropriation – shall mean any one of the following events:

(a) The failure of the Lessee to appropriate from Available Funds sufficient funds to pay Rental Payments, Administrative Fees and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year (net of any funds then on deposit in the Debt Service Fund or anticipated to be deposited therein prior to the Rental Payment Dates during such Fiscal Year); or

(b) The reduction of any Appropriation to an amount that is insufficient to permit the Lessee to pay Rental Payments, Administrative Fees and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year (net of any funds then on deposit in the Debt Service Fund or anticipated to be deposited therein prior to the Rental Payment Date during such Fiscal Year).

Facilities Lease – shall mean this Facilities Lease dated as of December 1, 2023, by and between the Lessee and the Lessor, and any duly authorized and executed amendment thereto.

Fiscal Year – shall mean a 12-month fiscal period of the Lessee commencing on October 1, and ending on September 30 of the following year, or such other annual accounting period as the Lessee may hereafter adopt.

Governmental Unit – shall mean a “governmental unit,” within the meaning of Section 1.103 of the Regulations.

Hazardous Materials – shall mean any substances including, without limitation, asbestos or any substance containing asbestos deemed hazardous under any Hazardous Materials Laws, including the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum distillates, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definitions of “hazardous waste,” “hazardous materials,” “hazardous substances,” “toxic waste,” “toxic materials” or “toxic substances” under any Hazardous Materials Law.

Hazardous Materials Laws – shall mean any law relating to environmental conditions or industrial hygiene, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), 42 U.S.C. § 9601 et seq.; Resource, Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901 et seq. as amended by the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), Pub. L. 99-499, 100 Stat. 1613; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 1101 et seq.; the Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; the Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; the Federal Water Pollution Control Act (“FWPCA”), 33 U.S.C. § 1251 et seq.; and any corresponding state laws or ordinances including but not limited to the Texas Water Code (“TWC”) § 26.001 et seq.; Texas Health & Safety Code (“THSC”) § 361.001 et seq.; Texas Solid Waste Disposal Act, Tex. Rev. Civ. Stat. Ann. art. 4477-7; and regulations, rules, guidelines, or standards promulgated pursuant to such laws, statutes and regulations, as such statutes, regulations, rules, guidelines, and standards are amended from time to time.

Improvements – shall mean all improvements hereafter constructed and/or installed on the Land, including the buildings and appurtenant facilities (but excluding equipment purchased by the Lessee with funds other than Bond proceeds) to be used by the Lessee as a multipurpose facility.

Indemnified Party or Indemnified Parties – shall mean one or more of the Issuer, the Issuer Board, the Trustee, and any of their successors, officers, directors, members, employees, agents, servants, and any other person acting for or on behalf of any of them, as the case may be.

Issuer – shall mean Fort Bend County, Texas Public Facility Corporation.

Land – shall mean the real property on which the Improvements are located, as more particularly described in Exhibit A attached hereto and made a part hereof.

Laws – shall mean all federal, state, and local laws, rules, regulations, ordinances, codes and orders of any entity having jurisdiction over the Lessee or Project.

Lessee – shall mean the Fort Bend County, Texas, and its successors and permitted assigns.

Lessee Board – shall mean the Commissioner's Court of the Lessee.

Lessee Representative – shall mean the County Representative, or his or her designee, or any other officer, employee or representative of the Lessee who is designated in writing by resolution of the Lessee's Board as a Lessee Representative for the purposes of this Facilities Lease, such designation to remain effective until the Lessee files with the Trustee a resolution designating a different or alternative representative.

Lessor – shall mean CFC - SO Training Facility, LLC, a limited liability company whose sole member is a 501(c)(3) corporation, organized under the laws of the State of Arizona and duly qualified to do business in the State,

Lessor Expenses – with respect to the Project, means, for any period, the aggregate of all expenses and expenditures relating thereto, including, without limitation, expenses or expenditures relating to the performance of any obligation of the Lessor under the Bond Documents or to the enforcement of the obligations of other parties to documents executed in connection with the Bond Documents; expenses incurred by the Lessor in connection with the inspection of the Project or the calculation, collection, and payment of the Rebate Amount relating to any Tax Exempt Bonds as required by federal law; reasonable fees paid for accounting, audit, legal, and other professional services provided to or on behalf of the Lessor relating to the Project (provided that any such fees payable to individuals or entities affiliated with the Lessor shall be approved in advance by the Lessee, which approval shall not be unreasonably withheld to the extent the price and terms on which such services are provided are consistent with similar third-party arm's length transactions); bank fees relating to the Checking Account; reasonable travel expenses of Lessor's representatives relating to the Project (excluding costs associated with upgrading from coach/economy class airfare, optional rental car insurance, parking tickets or traffic violations, personal hygiene items, magazines, books, newspapers, movie rentals, over-the-counter medication, snacks, alcoholic beverages, and flight or baggage insurance) which expenses shall have been approved in advance by the Lessee, such approval not to be unreasonably withheld; bonding expenses and insurance required to be carried by Lessor pursuant to the Bond Documents and director and officer liability insurance relating to the Project carried by the Lessor; taxes incurred in connection with Lessor's ownership or lease of the Project; reasonable out-of-pocket expenses of the Lessor incurred in connection with compliance with the Bond Documents or that are directly attributable to the

Project excluding (i) any expense or expenditure paid with the proceeds of the Bonds or the Net Proceeds of insurance other than business or rental interruption insurance, (ii) losses resulting from any reappraisal, revaluation, or write-down of all or any portion of the Project, (iii) any unrealized loss resulting from changes in the value of investment securities (iv) any losses or expenses for which the Lessor is liable pursuant to Section 8.11 hereof and which are not indemnified pursuant to Section 8.10 hereof, (v) any expenses, other than the Administrative Fees, borne by the Lessee, under the terms of this Facilities Lease, and (vi) any monthly recurring cell phone service charges; provided, however, the Lessor must submit to the Lessee an itemized statement with reasonable supporting evidence of any such Lessor Expenses within ninety (90) days following the month in which such expenses are incurred by the Lessor and, anything else herein notwithstanding, no such Lessor Expenses shall be due and payable by the Lessee pursuant to the terms hereof unless and until such itemized statement and supporting documentation shall have been delivered to the Lessee.

Lessor Representative – shall mean the President or any Vice President of the Lessor or any other officer, employee or representative of the Lessor who is designated in writing by resolution of the Lessor as a Lessor Representative for the purposes of this Facilities Lease, such designation to remain effective until the Lessor files with the Trustee a resolution designating a different or alternative representative.

Lessor Reserved Rights – means the rights of the Lessor expressly set out in the Bond Documents to (i) inspect books and records, (ii) give or receive notices, approvals, consents, requests, and other communications, (iii) payment or reimbursement for expenses, (iv) payment of the Administration Fees, (v) immunity and limitation from liability, and (vi) indemnification from liability.

Losses – shall mean losses, costs, damages, expenses, judgments and liabilities of whatever nature (including, but not limited to, accountant's and other professional's fees, litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Indemnified Party to any other person) directly or indirectly resulting from, arising out of or relating to one or more Claims.

Member – shall mean Community Finance Corporation, an Arizona nonprofit corporation, its permitted successors and assigns, and any resulting, surviving or transferee Person permitted hereunder.

Mortgage Trustee – shall mean the mortgage trustee named in the Deed of Trust.

Net Proceeds – shall mean any insurance proceeds or condemnation awards paid with respect to the Project remaining after payment of all reasonable expenses incurred in the collection thereof.

Occupancy Date – shall mean the date upon which the Lessee commences conducting its business from all or any portion of the Project.

Outstanding – shall mean, when used with respect to any Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except:

(a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 1002 of the Indenture) in the necessary amount has been theretofore deposited with the Trustee or any paying agent for such Bonds in trust for the Holders of such Bonds pursuant to the Indenture; provided, that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or irrevocable provision therefor satisfactory to the Trustee has been made;

(c) Bonds upon transfer of or in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Indenture.

Permitted Assignee – shall mean (a) the Trustee, (b) the purchaser at a foreclosure sale held pursuant to the Deed of Trust or in connection with a sale in lieu thereof or (c) any other person designated by the Trustee to acquire the interest of the Lessee under this Facilities Lease, including the successors and assigns of any such persons.

Permitted Encumbrances – shall mean the matters described in Exhibit B attached hereto and made a part hereof.

Project – shall mean the Land and all Improvements described in Exhibit A that are located in Fort Bend County, Texas, which Project shall be occupied by the Lessee and utilized as branch office buildings, including County Sheriff's offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in the County.

Project Contracts – shall mean any contract with a Contractor.

Project Costs – shall have the meaning ascribed to such defined term in the Loan Agreement.

Rebate Amount – shall have the meaning ascribed to such defined term in the Loan Agreement.

Regulations – shall mean any proposed, temporary or final income tax regulations issued pursuant to the Code. Any reference to any specific Regulations shall also mean, as appropriate, any proposed, temporary or final income tax regulation designed to supplement, amend or replace the specific Regulation referenced.

Rental Payment – shall mean on each Rental Payment Date, while any Bonds are Outstanding under the Indenture, an amount of money equal to the amount reflected for each such date on Exhibit E hereto.

Rental Payment Date – shall mean each February 20 and August 20 commencing on February 20, 2024, for so long as this Facilities Lease is in effect.

State – shall mean the State of Texas.

Term – shall mean the term of this Facilities Lease as determined pursuant to Section 3.3 hereof.

Treasury - shall mean the United States Department of Treasury.

Trustee – shall mean Zions Bancorporation, National Association, Houston, Texas.

Unrelated Business Taxable Income - shall mean the “unrelated business taxable income” of the Lessor within the meaning of Section 512 of the Code.

Unrelated Trade or Business - shall mean “unrelated trade or business,” within the meaning of Section 513(a) of the Code. Generally, any trade or business that is not substantially related (in a manner other than the general need for income or funds) to the exercise or performance by a 501(c)(3) Organization of its charitable, educational, or other purpose or function constituting its exemption under Section 501(c)(3) of the Code constitutes an Unrelated Trade or Business.

Section 1.2 General Rules of Construction.

When in this Facilities Lease the context requires, (a) a reference to the singular number includes the plural and vice versa; and (b) a word denoting gender includes the masculine, feminine and neuter.

Section 1.3 Preamble.

The statements, findings and definitions in the preamble of this Facilities Lease are hereby adopted and made a part of this Facilities Lease.

ARTICLE II

REPRESENTATIONS, COVENANTS, AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Lessee.

The Lessee represents, covenants and warrants as follows:

- (a) the Lessee is a political subdivision of the State;
- (b) the Lessee has full power and authority to execute this Facilities Lease and perform its obligations hereunder;
- (c) the Lessee Board has duly authorized the execution of the Bond Documents to which it is a party and the performance of its obligations thereunder;

(d) the execution of this Facilities Lease and the performance of its obligations hereunder and compliance with the terms hereof by the Lessee will not conflict with, or constitute a default under, any law (including administrative rule), judgment, decree, order, permit, license, agreement, mortgage, lease or other instrument to which the Lessee is subject or by which the Lessee or any of its property is bound;

(e) the Lessee is not in violation of any Law, which violation could adversely affect the performance of its obligations under this Facilities Lease;

(f) the Lessee presently expects to have sufficient Available Funds to satisfy its obligations under this Facilities Lease, and the Lessee will use its best efforts to manage its affairs in such a way as to maximize the amount of funds available for appropriation by the Lessee to pay Rental Payments, Administrative Fees and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year; provided, however, the Lessee has no obligation to Appropriate Available Funds in any Fiscal Year, regardless of the amount of funds eligible to be Available Funds in its possession and in no event is the Lessee required to pursue funding before the Lessee can terminate this Facilities Lease;

(g) this Facilities Lease is a legal, valid and binding current obligation of the Lessee, enforceable in accordance with its terms;

(h) The Lessee will recognize economic and other benefits by the leasing of the Project pursuant to this Facilities Lease; the Project is property that is necessary and essential to the County's purpose and operations; and the County expects that the Project will adequately serve the needs for which it is being leased throughout the Term;

(i) except as otherwise provided herein, the Lessee will be the sole lessee of the Project, and the Lessee will use the Project during the term of this Facilities Lease in the same manner and for the same purposes as the Lessee uses its other public facilities;

(j) the Lessee agrees to provide, and hereby commits to providing, the notices and/or information required by the continuing disclosure undertakings set forth in the Form of Continuing Disclosure Agreement attached as Appendix I hereto at the times and in the manner specified in Appendix I;

(k) the Lessee agrees to keep the Project free and clear of all liens, encumbrances and security interests (other than the Permitted Encumbrances);

(l) the Lessee has complied and will continue to comply with all open meeting laws, all public bidding or procurement laws and all other State and federal laws applicable to the execution, delivery and performance of its obligations under this Facilities Lease and to the use and occupancy of the Project by the Lessee;

(m) except for approval of the Attorney General of the State with respect to the Bonds, no further approval, consent or withholding of objections is required from any governmental authority with respect to this Facilities Lease; and

(n) the Lessee agrees to file, or cause to be filed, any UCC financing statements, or instruments effective as financing statements, which the Lessor is required to file pursuant to this Agreement.

Any certificate with respect to factual or financial matters signed by an officer of the Lessee and delivered to the Lessor shall be deemed a representation and warranty by the Lessee as to the statements made therein.

Section 2.2 Representations, Covenants and Warranties of the Lessor.

The Lessor represents, covenants and warrants as follows:

(a) the Lessor is a single member limited liability company validly existing under the laws of the State of Arizona and qualified to conduct business in the State;

(b) the Lessor has the full power and authority to execute the Bond Documents to which it is a party and perform its obligations thereunder;

(c) the execution of the Bond Documents to which the Lessor is a party and the performance of the Lessor's obligations thereunder have been duly authorized;

(d) the execution of the Bond Documents and the performance of its obligations thereunder and compliance with the terms thereof by the Lessor will not conflict with, or constitute a default under, any law (including administrative rule), judgment, decree, order, permit, license, agreement, mortgage, lease or other instrument to which the Lessor is subject or by which the Lessor or any of its property is bound;

(e) the Lessor is not in violation of any Law, which violation could adversely affect the performance of its obligations under this Facilities Lease;

(f) pursuant to Section 3.3(c) hereof, upon termination of this Facilities Lease, the Lessor will deliver to the Issuer all documents that are or may be necessary to vest all of the Issuer's right, title and interest in and to the Project in the Issuer and will release, or cause to be released, all liens and encumbrances in favor of the Lessor created under this Facilities Lease with respect to the Project;

(g) the Lessor agrees, using the loan proceeds of the Bonds on deposit in the Indenture, to keep the Project free and clear of all liens, encumbrances and security interests (except for Permitted Encumbrances and the encumbrances created by the Deed of Trust);

(h) on the Closing Date, the Lessor will hold title to the Project, subject to Permitted Encumbrances and the encumbrance created by this Facilities Lease and, for the period of time commencing on the date of the execution of this Facilities Lease and expiring on the termination of this Facilities Lease, will, at the expense of the Lessee, warrant and forever defend all and singular the Lessee's leasehold interest in such property unto the Lessee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same, or any part thereof. Subject to compliance by the Lessee with the provisions of this Facilities Lease, the Lessor hereby

covenants to provide the Lessee during the term of this Facilities Lease with the quiet use and enjoyment of such property, subject to the Permitted Encumbrances and the terms of this Facilities Lease, and the Lessee shall peaceably and quietly have and hold and enjoy such property, without suit, trouble or hindrance from the Lessor;

(i) except for the approval of the Attorney General of the State with respect to the Bonds, no further approval, consent or withholding of objections is required from any governmental authority with respect to the execution, delivery and performance of this Facilities Lease;

(j) the Bond Documents to which the Lessor is a party are legal, valid and binding obligations of the Lessor, enforceable in accordance with their terms;

(k) this Facilities Lease is a legal, valid and binding obligation of the Lessor, enforceable in accordance with its terms;

(l) no material statement, representation or warranty made by the Lessor in this Facilities Lease, the Bond Documents or in any writing delivered by the Lessor pursuant to or in connection therewith is false or misleading in any material respect; and

(m) Lessor is a single-member limited liability company, and the Corporation is the single member. The Lessor is a disregarded entity for federal income tax purposes; and

(n) Lessor, in coordination with and at the expense of the Lessee, shall use its best efforts to obtain an exemption from payment of local ad valorem taxes for the Project, based on the use by the Lessee of the Project as a multipurpose governmental facility.

Any certificate with respect to factual or financial matters signed by an officer of the Lessor and delivered to the Lessee shall be deemed representation and warranty by the Lessor as to the statements made therein.

ARTICLE III

LEASE OF PROJECT AND TERM

Section 3.1 Lease of Project.

In consideration of the rents, covenants, agreements and conditions herein set forth which the Lessee agrees to pay, keep and perform, but subject to Article XIV, the Lessor does hereby let, demise and rent unto the Lessee, and the Lessee agrees to rent and lease from the Lessor, the Project.

Section 3.2 Title Matters.

During the Term of this Facilities Lease, legal title to the Project and any and all repairs, replacements, substitutions and modifications to the Project shall be in the Lessor. The Lessee shall not permit any lien or encumbrance of any kind to exist against the title to the Project, other

than the Permitted Encumbrances. Upon termination of this Facilities Lease under Section 3.3(c), full and unencumbered legal title to the Project, with the exception of the Permitted Encumbrances, shall immediately be conveyed by the Lessor to the Issuer, and the Lessor and the Trustee shall execute and deliver to the Issuer such documents as the Lessee may reasonably request to evidence the conveyance of such title to the Lessee and the termination of the Lessor's and the Trustee's interest in the Project.

Section 3.3 Term.

This Facilities Lease shall be and remain in effect with respect to the Project for a lease term (the "*Term*") commencing on the Closing Date and continuing until terminated, to the extent required by State law, upon the occurrence of the first of the following events:

(a) termination of this Facilities Lease occurs due to an Event of Nonappropriation, as provided in Section 14.3 of this Facilities Lease;

(b) termination of this Facilities Lease occurs in connection with the insufficiency of Net Proceeds received following a condemnation or casualty, as provided in Section 9.2 of this Facilities Lease;

(c) the effective date of termination of this Facilities Lease by the Lessor or the Trustee pursuant to the exercise of the rights of the Lessor to terminate this Facilities Lease upon the occurrence of an Event of Default pursuant to Article XIV;

(d) the date on which the Lessee pays all Rental Payments and other amounts required to be paid by the Lessee pursuant to the terms of this Facilities Lease; or

(e) not more than thirty (30) years from the Closing Date, but in all events upon and subject to the covenants, agreements, terms, provisions and limitations hereinafter set forth.

ARTICLE IV

USE OF LEASED PREMISES AND COMPLIANCE WITH LAW

Section 4.1 Use.

(a) The Lessee shall occupy, operate and maintain the Project for the Lessee's purposes, including, but not limited to, serving as branch office buildings, including County Sheriff's offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in the County.

(b) Except as provided in Section 4.1(c) below, the Lessee covenants and agrees:

(i) that it will not use, or suffer or permit any Person or Persons to use, the Project: (i) in any manner that would result in Rental Payments, Administrative Fees, or any other payments made under this Facilities Lease being Unrelated Business Taxable

Income or (ii) in any manner that would cause the Lessor or the Corporation to have “unrelated debt financed income,” within the meaning of Section 514 of the Code.

(ii) that it will not use, or suffer or permit any Person or Persons to use, the Project (i) in any manner that would jeopardize the tax-exempt status of the Bonds (including such use as would constitute an Unrelated Trade or Business) of the Lessor or any other Person or (ii) in any manner that would jeopardize the tax exempt status of the Corporation under Section 501(a) of the Code, as more particularly described in Section 501(c)(3) of the Code.

(iii) that it will not carry on or permit to be carried on in the Project any trade or business, the conduct of which would cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes (including, without limitation, allowing more than three percent (3%) of the property financed or refinanced with the net proceeds of the Bonds (either by square footage or by fair rental value) to be used in an Unrelated Trade or Business of a 501(c)(3) Organization, or to be used in the trade or business of a Person who is neither a Governmental Unit nor a 501(c)(3) Organization). In this regard, the Lessee covenants that it will not enter into any other “arrangement,” within the meaning of §1.141-3(b) of the Regulations, with any Person that is not a Governmental Unit or a 501(c)(3) Organization or any “Management Contract,” as such term is used in Internal Revenue Procedure 2017-13 or any “Research Agreement,” as such term is used in Internal Revenue Procedure 2007-13, relating to the Project (other than persons who do not use such space for the carrying out of any trade or business) other than for “incidental services,” within the meaning of §1.141-3(d)(2) of the Regulations, without previously delivering to the Lessor and the Trustee a favorable opinion of Bond Counsel.

(iv) that the facility will never be utilized for professional minor league sporting events.

(c) The Lessee, with the consent of the Lessor which consent will not be unreasonably withheld, and the delivery an opinion of Bond Counsel that the proposed transaction will not negatively affect the tax-exempt status of the Series 2023 Bonds, the County may enter into a naming rights agreement with respect to the Project. Any income derived by the Lessee from the naming rights agreement may be used by the Lessee for any lawful purpose as permitted in the Code regarding use of the Project.

Section 4.2 Compliance with Laws.

(a) The Lessee shall comply with all Laws now existing or enacted or promulgated in the future that affect the Project and the use and occupancy thereof. The Lessee shall obtain all permits and licenses necessary for the operation, possession and use of the Project. The Lessee shall make, at the Lessee’s own cost and expense from Available Funds, any and all repairs, additions and alterations (whether the same constitute a capital improvement or expenditure) to the Project that are required by Law or as may be ordered or required by any governmental authority, whether (i) in order to meet the special needs of the Lessee, or by reason of the

occupancy of the Lessee, or otherwise, and (ii) regardless of whether such Laws, and the cost of implementing same, are imposed upon the Lessee or the Lessor. In making any such alterations and improvements, the Lessee shall comply with Article V below and shall require all Contractors to provide proof of compliance with subchapter B of Chapter 2253 of the Texas Government Code.

(b) The Lessee may, by appropriate proceedings conducted promptly in the Lessee's name and at the Lessee's expense, contest the validity or enforcement of any such Laws, and the Lessee may defer compliance with same during such contest, provided the Lessee diligently prosecutes such contest to a final determination by the authority having jurisdiction thereof and the delay in complying therewith does not create a lien or encumbrance on the Project or subject the Lessor or the Project to any liability for attorney's fees, damages, fines or penalties.

ARTICLE V

THE PROJECT

Section 5.1 Local Conditions.

The Lessor declares that it has entered into the Development Agreement with the Developer and other design and construction professionals that are familiar with local conditions with respect to the Project and construction of the Improvements.

Section 5.2 Project Contract Requirements.

All Project Contracts must: (i) require the Contractor to obtain all required approvals from governmental entities for the work to be performed thereunder; (ii) require the Contractor to obtain statutory payment bonds and performance bonds, each of which shall name the Trustee as an obligee and each of which shall be in such amounts as to meet statutory requirements, but in no event less than the amount of the Project Contract, and in all events be in form and issued by surety companies satisfactory to the Lessor and the Lessee; (iii) require that all materials furnished be of good and serviceable quality and all labor performed be good and workmanlike and in conformity with the plans and specifications for the Project; (iv) require the Contractor and its subcontractors to obtain the insurance set out in Section 5.4 below; (v) require that all Project Contracts and any warranties contained therein can be assigned to and directly enforced by the Lessee, the Trustee or a Permitted Assignee; (vi) shall not be approved until authorized in writing by the Lessee's Authorized Representative; (vii) require that all Project Contracts provide for statutory retainage in accordance with the then current requirements of the Texas Property Code and to contain a representation and warranty that the construction work covered by such agreements will be warranted from defects in workmanship and materials for a period for a period of at least one (1) year from the date of Final Completion of such construction work (unless a longer period of time is provided for by the manufacturer or supplier of any materials or equipment which is a part of such construction work); and (viii) require that no Project Contracts (including but not limited to the Development Agreement) may be amended or modified, and no rights of the Lessor or the Developer may be waived, without the Lessee's prior written consent.

Section 5.3 Ownership of Project.

All materials and other property incorporated into the Project shall become a permanent part of the construction of the Project for the purposes of this Facilities Lease.

Section 5.4 Insurance Required of Contractors.

During the construction of the Improvements and during any major renovation or restoration involving an aggregate expenditure of more than \$100,000, all Contractors shall be required to obtain the insurance coverage set out in Exhibit D attached hereto and incorporated by reference herein for all purposes, provided that the requirement for builder's risk insurance can be satisfied by such a policy covering the applicable Improvements carried by the general contractor or by the party (i.e., Lessor or Lessee) who engaged the general contractor.

Section 5.5 Construction of Project.

The rights conveyed to the Lessee under this Section 5.5 are intended to be granted from and after the date of execution of this Facilities Lease without regard to the Completion Date set forth herein. Capitalized terms used in this Section 5.5 and not otherwise defined herein shall have the meanings set forth in the Development Agreement.

(a) Lessee's Approval Required for All Construction. Except for emergency repairs, the Lessor shall not be permitted to construct any portion of the Project (including the initial construction thereof) or make capital improvements upon the Project, including, but not limited to, the construction of, alteration of, repair of, renovation of or demolition of any future improvement upon the Project without the Lessee's prior written approval, such approval not to be unreasonably withheld, conditioned, or delayed. Completed design documents, which shall include the plans and specifications regarding any work referenced in the preceding sentence, must be submitted to the Lessee for review and approval prior to commencement of construction and in accordance with the design requirements. The Lessee agrees that such approval shall not be unreasonably withheld, conditioned, or delayed. The Lessee's approval of such plans and specifications is for the Lessee's own benefit, cannot be relied upon by any person other than Lessor, and does not relieve the originator of any such plans and specifications from its standard of care.

(b) Lessee's Approval of Construction Documents. The Lessee hereby acknowledges receipt of copies of the final forms of the Development Agreement and the Design Services Agreement, and hereby approves of such agreements. The Lessee's approval of the Development Agreement and the Design Services Agreement is for the Lessee's own benefit, cannot be relied upon by any person other than Lessor, and does not relieve the parties to the Development Agreement and the Design Services Agreement from their obligations thereunder, nor impose any obligations on the Lessee that are not expressly assumed by the Lessee in this Facilities Lease.

(c) Default in Construction. In the event of a material default by the Developer or the Architect under the Development Agreement or the Design Services Agreement, respectively, or of any party to any design or construction documents related to the Improvements and any Additional Improvements, subject to the rights of the Trustee under the Bond Documents, the

Lessor shall exercise all of the rights and remedies available to the Lessor in each such agreement in consultation with the Lessee. If an Event of Default shall occur and be continuing or if the Lessor shall default under the Development Agreement for any cause not attributable to the Lessee or any design or construction documents related to additional improvements to be constructed by Lessor on the Project, the Lessee may, subject to the rights of the Trustee, assert the rights of the Lessor (other than the Lessor Reserved Rights) under the terms of the Development Agreement or such other design and construction documents, as the case may be.

(d) Commencement and Completion of Construction. The Lessor shall, using the loan proceeds of the Bonds on deposit in the Indenture, cause the Developer to commence and pursue construction of the Project in accordance with the Development Project Schedule set forth in the Development Agreement, and shall cause Substantial Completion to occur on or before the Substantial Completion Date, in accordance with the terms of the Development Agreement. All building materials for the Project must be new and of good quality in accordance with the Contract Documents and the Plans and Specifications.

(e) Construction Approvals by the Lessee. Prior to commencing any construction for any portion of the Project, the Lessor shall deliver or cause the Developer to deliver to the Lessee for its approval four (4) sets of the plans and specifications for such portion of construction to be commenced. The Lessee shall have such period of time as is allowed under Section II D of the Development Agreement to approve or reject such submissions, with any rejection being accompanied with a description of measures to be taken by the Lessor that will result in approval on resubmission (or why resubmission of any similar proposal would be rejected). Failure to approve or reject any submissions within such period shall be deemed approved by the Lessee. The Lessee agrees not to withhold, condition, or delay unreasonably the approval required by this subsection. Approval of submissions by the Lessee shall not relieve the responsible party under this Facilities Lease or the Development Agreement, as applicable, from the obligation to obtain, to the extent applicable, all other necessary approvals and permits required by various governmental agencies or from complying in all material respects with the plans and specifications, the Contract Documents, and all applicable building codes and ordinances.

(f) Change Orders. Once the plans and specifications shall be submitted to and approved by the Lessee or the plans and specifications shall be deemed approved in accordance with Section 5.5(e) hereof, the Lessor may, but only with the prior written approval of the Lessee, order, authorize, or perform any change or substitute work or materials in prosecuting the construction of the improvements (a "Change Order"). The Lessee agrees not to withhold unreasonably the approval required by this subsection; provided, however, that any Change Order to increase the Contract Sum or to extend the Substantial Completion Date shall be granted or withheld at the sole and absolute discretion of the Lessee (except for Change Orders described in Section VI C of the Development Agreement, which shall be approved by the Lessee so long as the requirements described therein have been met). Approval of Change Orders by the Lessee shall not relieve the responsible party under this Facilities Lease or the Development Agreement, as applicable, from the obligation to obtain all other necessary approvals and permits required by various governmental agencies, to the extent applicable, and from complying in all material respects with the plans and specifications, the Contract Documents, and all applicable building codes and ordinances.

(g) Coordination of Construction with Lessee. The Lessee reserves the right to monitor the Developer and/or the Lessor's construction of the Project from its inception to its completion, including participation in all construction meetings contemplated by the Contract Documents.

(h) Payment of Bills for Construction. As a construction expense, the Lessor covenants and agrees to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Indenture or the Bond Documents, as the case may be, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, the Developer, the Architect, and any contractors and subcontractors and all other costs and expenses incident to any construction in or on the Project; provided, however, that the Lessor may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, and in such event, any such item need not be paid until adjudged to be valid. Unless so contested by the Lessor, all such items shall be paid by the Lessor within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto. The Lessor agrees to provide and/or cause the Developer to provide the Lessee with copies of all Requests for Payment submitted by the Developer within three (3) business days after the date on which the Lessor receives such Requests for Payment. Such Requests for Payment shall be subject to the review and approval of (i) the Lessor in accordance with Section VII H of the Development Agreement and (ii) the Lessee, which approval (not to be unreasonably withheld) or rejection (which shall be accompanied by an explanation of such rejection) shall be provided by the Lessee to the Lessor in writing within seven (7) days following the Lessee's receipt of the Request for Payment and, if such approval or rejection is not timely provided to the Lessor, the Lessee shall be deemed to have approved such Request for Payment.

(i) Completion of Construction by the Lessee. The Lessee acknowledges and agrees that the Lessor shall assign all of its respective right, title, interest, and remedies in and to the Contract Documents to the Trustee pursuant to the Lessor Assignment of Contracts. The Lessor covenants and agrees that in the event (i) the Lessor shall abandon or fail to complete the construction of Improvements undertaken by the Lessor in accordance with all material requirements of this Facilities Lease, (ii) such failure shall not be the result of the occurrence of an Event of Default by the Lessee, and (iii) the Trustee shall elect not to complete construction of such Improvements including delivery of all Personalty, pursuant to the terms of any assignment, the Lessee may, at its option (but without any obligation so to do and without prejudice to any other rights the Lessee may have under this Facilities Lease) complete the construction of the improvements undertaken by the Lessor as an expense of the Project and, as nearly as practicable and proper, according to the plans and specifications previously approved by the Lessee.

(j) Insurance; Payment and Performance Bonds, Performance of Contracts. The Lessor shall require and cause the Developer to require any architects, engineers, contractors, subcontractors, specialists, and consultants engaged by the Developer or the Architect in connection with the construction of the Project to perform their respective obligations under the terms of the Contract Documents and to be licensed in accordance with State law. The Lessor shall cause the Developer to maintain, and any architects and engineers engaged by the Developer or the Architect, to obtain and maintain errors and omission insurance, builder's risk insurance, and all other insurance policies in accordance with the terms of the Development Agreement. Each such policy of insurance shall name the Lessee as an additional insured and shall be subject the

Lessee's approval, which approval shall not be unreasonably withheld. The Lessor shall deliver, or cause to be delivered, to the Lessee evidence of such insurance in the form of a standard ACORD certificate of insurance and copies of any required endorsements and, upon the Lessee's request, complete copies of the policies.

(k) Payment and Performance Bonds. The Lessor shall provide or cause to be provided to the Lessee commercial payment and performance bonds for the construction of the Project and any Additional Improvements in accordance with the terms of the Development Agreement, which bonds shall be subject to the approval of the Lessee (not to be unreasonably withheld, conditioned, or delayed) and name the Lessee as a dual obligee.

(l) Reports and Information. The Lessor shall provide the Lessee with copies of all material documents and correspondence provided to or generated by the Lessor in connection with construction of the Project and shall provide or cause the Developer to provide the Lessee with monthly progress reports in the form required under Section VII G of the Development Agreement for the previous month. The Lessor shall deliver or cause to be delivered to the Lessee copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for the Lessor pursuant to the Development Agreement or the applicable design and construction contracts with respect to the Project copies of which shall also be furnished to the Trustee.

(m) Final Completion of Improvements. Upon the Final Completion of the Project, the Lessor shall furnish the Lessee with copies of all warranties, drawings, plans, releases, and other documentation required to be delivered to Lessor under Sections VII E, VII F and VII J of the Development Agreement, and as soon as practicable (however, in no event to exceed six (6) calendar months) after the Substantial Completion of the Project, the Lessor shall furnish or cause the Developer to furnish to the Lessee all other remaining documentation regarding the "as-built" Improvements as required under the Contract Documents.

(n) Liquidated and Consequential Damages Payments. As additional consideration for this Facilities Lease, the Lessor shall pay, or cause to be paid to the Trustee with instructions that such amounts should be credited to the Debt Service Fund (as such term is defined in the Indenture) all Liquidated Damages paid by or received on behalf of the Developer pursuant to Section IV G of the Development Agreement, and the Lessee shall receive a credit against its obligations to make Rental Payments equal to the sum of all such Liquidated Damages.

(o) Permits and Ordinances. The Lessor shall, as a construction expense, comply and cause the Developer and all of its subcontractors to comply in all material respects with all building, life safety and other codes and law that are applicable to the Lessor and relate to the construction of the Project, including without limitation, the Americans with Disabilities Act of 1990.

ARTICLE VI

ACCEPTANCE AND CONDITION OF PREMISES

Section 6.1 The Lessee's Inspection and Acceptance.

As soon as practicable on or after the Completion Date but in any event not later than the Occupancy Date, the Lessee will cause a Lessee Representative to execute and deliver the Acceptance Certificate to the Lessor and the Trustee substantially in the form attached hereto as Exhibit C, such execution and delivery not to be unreasonably withheld. Notwithstanding the foregoing, the Lessor will provide Lessee not less than five (5) days' advance written notice of the date Lessor anticipates achieving substantial completion of the Project and give the Lessee the opportunity to fully inspect the Project prior to the Lessee's execution of the Acceptance Certificate. In the event Lessee determines that any items other than minor "punch-list" items remain to be completed, substantial completion of the Project shall be deemed not to have occurred and the Lessee shall not be required to execute and deliver the Acceptance Certificate.

The Lessee's execution of the Acceptance Certificate shall be conclusive evidence of the Lessee's acceptance of the Project in its "AS IS" condition, with all faults, latent or patent, subject to all warranties and guaranties by any Contractor under the Project Contracts, and that the Project is suitable for its intended purposes, provided that execution of the Acceptance Certificate shall not prejudice Lessee's right to require full completion of any remaining items or Lessee's right to enforce any warranties or guarantees assigned to Lessee pursuant to Section 16.4 hereof. Acceptance by the Lessee shall not be deemed to inure to the benefit of any other party claiming or defending against the Lessee or the Lessor as to the condition or the design and construction of the Project.

Section 6.2 No Representations.

The Lessee agrees that the Lessor has made no representations or warranties respecting the condition of the Project, other than those set forth herein or included in the Bond Documents and documents incorporated by reference therein and attached thereto, and no promises to alter or improve the Project have been made by the Lessor or its agents other than those specifically contained herein or incorporated herein by specific reference.

ARTICLE VII

ALTERATIONS AND IMPROVEMENTS

Section 7.1 The Lessee's Right to Alter.

(a) To the extent that Available Funds in excess of the Rental Payments and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year exist, and provided the conditions of this Section are met, the Lessee shall have the right to make alterations, additions and improvements to the Project. All alterations, improvements and additions shall thereafter comprise part of the Project and shall be owned by the Lessor subject to the terms of this Facilities Lease and the Deed of Trust.

(b) Such additions, modifications and improvements must not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of State and federal Law; the value of the Project, upon completion of any additions, modifications and improvements made pursuant to this Section 7.1, must be verified at the Lessee's expense in writing by a licensed architect, mutually agreed upon by the Lessor and the Lessee, to be of a value not less than the value of the Project immediately prior to the making of such additions, modifications and improvements; provided that such requirement shall not be necessary with respect to the relocation of non-load bearing walls within the Project. Any property for which a substitution or replacement is made pursuant to this Section 7.1 may be disposed of by the Lessee in such manner and on such terms as determined by the Lessee. The Lessee will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Lessee pursuant to this Section 7.1. If any such lien is established and the Lessee shall first notify the Lessor of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Project 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 unless the Lessor shall notify the Lessee that, in Lessor's reasonable opinion, by nonpayment of any such item the interest of the Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture; in such event, the Lessee shall, from and to the extent of lawfully appropriated funds in excess of the Rental Payments and Administrative Fees required by this Facilities Lease and the funds held by the Trustee pursuant to the Indenture, promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Lessor with full security against any such loss or forfeiture, in form satisfactory to the Lessor. The Lessor will cooperate fully with the Lessee in any such contest, upon request of the Lessee, if the Lessee agrees to pay the Lessor's expenses.

(c) All alterations and improvements must: (i) be performed in a good and workmanlike manner; and (ii) be performed pursuant to written contracts meeting applicable requirements with Contractors that obtain and maintain the insurance coverage set forth in Exhibit D attached hereto and incorporated by reference herein for all purposes.

(d) No alternation or improvement may be made which might adversely affect the excludability of the interest on the Bonds from "gross income" of the holders thereof for federal income tax purposes, and in this respect, the Lessee must furnish to the Lessor and the Trustee an opinion of Bond Counsel to the effect that such proposed alteration or improvement will not so effect the Bonds.

ARTICLE VIII

OPERATION OF THE PROJECT

Section 8.1 Maintenance.

(a) During the Term, the Lessee shall, from Available Funds, maintain, preserve and keep the Project in good repair, working order and condition, and from time to time make or cause to be made all repairs, replacements and improvements (regardless of whether the same includes

capital expenditures) necessary to keep the Project in such condition. The Lessee agrees to pay the expenses of such maintenance from lawfully Available Funds. None of the Issuer, the Lessor nor the Trustee shall have any obligation or responsibility to maintain the Project.

(b) The Lessee shall have the right, subject to the terms and conditions of this Facilities Lease, to enter into contracts with respect to the operation and maintenance of the Project as necessary to keep the Project in good repair, working order and condition; provided, however, that the Lessee shall not be relieved of its obligation to maintain the Project by entering into a contract with a third party to perform such duties.

Section 8.2 Access.

The Lessor and the Lessee agree that the Lessee, any Lessee Representative, the Lessor, any Lessor Representative, the Trustee and any Permitted Assignee shall have the right at all reasonable times and hours to enter and inspect the Project. The Lessee agrees that the Lessor, any Lessor Representative and the Trustee, without incurring any responsibility or obligation, shall have such rights of access to the Project as may be necessary or desirable to: (i) cause the maintenance of the Project in the event of failure by the Lessee to perform its obligations hereunder; (ii) permit the Lessor or the Trustee to exercise its rights or to carry out its obligations under this Facilities Lease; or (iii) determine whether the Lessee is in compliance with its obligations under this Facilities Lease; provided, however, that such entry and Lessor's, Lessor Representative's, and/or Trustee's activities pursuant hereto shall be conducted in such a manner as to minimize interference with the Lessee's use and operation of the Project then being conducted in the Project pursuant to the terms of this Facilities Lease.

Section 8.3 Utilities.

During the Term of this Facilities Lease, the Lessee shall pay from lawfully Available Funds, directly to vendors and suppliers, all deposits, charges, fees and costs incurred for all utility equipment and services in connection with the use and occupancy of the Project by the Lessee including, but not limited to, water, sewer, refuse removal, electricity, gas, telephone and cable television. The Lessee shall pay the costs of any janitorial and related services in connection with the operation of the Project.

Section 8.4 Taxes.

To the extent applicable, the Lessee, for and on behalf of the Lessor and the Lessee, shall pay property (real or personal) taxes, if any, and other governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project or any part thereof, and which become due during the Term of this Facilities Lease. The Lessor intends to cooperate with Lessee, at the Lessee's expense, to secure a property tax exemption on the Project as available under current State law and shall take such steps as may be appropriate or necessary to establish and maintain the foregoing exemption. The Lessee agrees to provide reasonable assistance to the Lessor, to the extent necessary, in its efforts to secure a property tax exemption.

To the extent the Lessor is notified of any other taxes or governmental charges to be levied against the Project, it will notify the Lessee in writing of any such proposed charges. The Lessee may, after notifying the Lessor, and at the Lessee's expense and in the Lessor's name, in good faith contest any such taxes or other governmental charges and, in the event of any such contest, may permit the taxes or other governmental charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor shall notify the Lessee that, in the opinion of Bond Counsel, by nonpayment of any such items the interest of the Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture.

The Lessor's cost and expense related to the payment of taxes, if any, and other governmental charges pursuant to this Section 8.4 shall be included as an Administrative Fee and paid by the Lessee from lawfully Available Funds in accordance with the terms hereof.

Section 8.5 Liens and Leasehold Mortgages Prohibited.

The Lessee shall not, directly or indirectly, mortgage, pledge or hypothecate the Project or its interest in this Facilities Lease without the Lessor's prior written consent. The Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, lien, charge, encumbrance or claim on or with respect to the Project other than the rights of the Lessor and the Lessee under this Facilities Lease and the Permitted Encumbrances. The Lessee shall promptly take such action as may be necessary to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim arising at any time during the Term of this Facilities Lease, except to the extent any of the foregoing is caused by the Lessor. The Lessor and the Trustee shall have the right, but not the obligation, to discharge any such liens, charges, mortgages or encumbrances if the Lessee does not do so and to be reimbursed by the Lessee from Available Funds for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim; provide to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim; provided, however, the Lessor and the Trustee shall provide to the Lessee not less than fifteen days (15) days prior written notice prior to any exercise of the right to discharge or remove any such mortgage, pledge, lien, charge, encumbrance of claim.

Section 8.6 Property and Casualty Insurance or Coverage.

From the Completion Date until the end of the Term of this Facilities Lease, the Lessee shall be responsible for procuring and maintaining all-risk (or its equivalent) property insurance or coverage on the Project in an amount not less than the replacement value of the Project, subject only to such exceptions and exclusions as are customarily contained in such policies. The Lessee shall ensure that at all times the limits of coverage are sufficient to pay for the full replacement cost of the Project at the time of the loss, without deduction for depreciation. All policies shall be issued to the Lessee as the first named insured or term denoting a similar meaning, but shall name the Lessor and the Trustee as loss payees as their interests may appear under a standard Mortgagee's endorsement. If the Lessee shall act as its own contractor for alterations and improvements that cost more than \$250,000, it shall obtain Builder's Risk Insurance for the full completed value of the improvements. The Lessee shall pay the premiums for such insurance from lawfully Available Funds. The Net Proceeds of such insurance shall be applied as set out in Section

9.1 below. The insurance required under this Section may be provided through an “umbrella” or “blanket” policy.

Section 8.7 Liability Insurance.

During the Term of this Facilities Lease, the Lessee shall be responsible for procuring and maintaining insurance against liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Project or any part thereof. The insurance or coverage shall include coverage for premises/operations, personal and advertising injury, and be in the amount of at least \$1,000,000 combined single limit. The insurance required under this Section may be provided through an “umbrella” or “blanket” policy that provides coverage as to the Project in the minimum coverage amount previously set forth in this Section. The Trustee and the Lessor shall be named as additional insureds in all policies of liability insurance relating to the Project. The premiums for such insurance shall be paid by the Lessee from lawfully Available Funds.

Section 8.8 Workers Compensation Insurance.

Throughout the Term of this Facilities Lease, the Lessee shall, from lawfully Available Funds, maintain Worker’s Compensation Insurance in statutorily required limits covering all of its employees in, on or about the Project. During any modification, restoration or renovation of the Project, the Lessee shall require any Contractor or subcontractor to obtain and maintain such coverage on its employees and to furnish certificates evidencing such coverage to the Lessor.

Section 8.9 Insurance Policy Requirements.

All policies of insurance to be obtained in connection with this Facilities Lease shall be written by companies qualified and licensed to write insurance in the State and have A.M. Best ratings of at least A.-VIII. A program or plan qualifying under the Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, shall be deemed to meet these requirements. The Lessee shall furnish the Lessor with certificates of insurance evidencing the above required insurance on or prior to the Closing Date, which certificates must be in a form on which the parties can rely as evidence of binding insurance and shall furnish certificates evidencing renewals or replacements of said policies of insurance at least thirty (30) days prior to the expiration or cancellation of any such policies.

Section 8.10 Indemnification.

(a) Agreements to Indemnify. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, AND TO THE EXTENT OF LAWFULLY AVAILABLE FUNDS, THE LESSEE AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES AGAINST ANY AND ALL LOSSES; PROVIDED, HOWEVER, THE LESSEE SHALL NOT BE OBLIGATED TO INDEMNIFY AN INDEMNIFIED PARTY AGAINST LOSSES RESULTING FROM NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT, THEFT, OR BREACH OF ANY APPLICABLE LAW, RULE, REGULATION, ORDINANCE, ORDER, LICENSE, OR PERMIT ON THE PART OF ANY INDEMNIFIED PARTY CLAIMING INDEMNIFICATION OR AGAINST LOSSES

RESULTING FROM A BREACH BY THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION OF ANY OBLIGATION OR REPRESENTATION SET FORTH IN THIS FACILITIES LEASE, IN THE BOND DOCUMENTS OR IN ANY WRITING DELIVERED BY SUCH INDEMNIFIED PARTY IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, AND TO THE EXTENT OF LAWFULLY AVAILABLE FUNDS, THE LESSEE ALSO AGREES TO INDEMNIFY THE ISSUER AND THE TRUSTEE AND THEIR SUCCESSORS, OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS FOR, AND TO HOLD THEM AND THEIR SUCCESSORS, OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES AND AGENTS HARMLESS AGAINST, ANY LOSS, LIABILITY, CLAIM OR EXPENSE INCURRED WITHOUT NEGLIGENCE, BAD FAITH, WILLFUL MISCONDUCT, BREACH OF THIS FACILITIES LEASE OR THE BOND DOCUMENTS, OR BREACH OF APPLICABLE LAWS, RULES, REGULATIONS, ORDINANCES, ORDERS, LICENSES OR PERMITS ON THE PART OF ANY OF THEM, ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE OR ADMINISTRATION OF THE TRUST CREATED UNDER THE INDENTURE OR THE PERFORMANCE OF ITS DUTIES UNDER THE BOND DOCUMENTS, INCLUDING THE REASONABLE COSTS AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF ITS POWERS OR DUTIES UNDER THE INDENTURE. THE ISSUER, THE TRUSTEE AND THEIR SUCCESSORS, OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS MAY ENFORCE SUCH RIGHT AS A THIRD PARTY BENEFICIARY HERETO. NOTHING CONTAINED IN THIS SECTION 8.10 IS INTENDED NOR SHALL IT BE CONSTRUED TO WAIVE ANY IMMUNITY TO WHICH THE LESSEE IS ENTITLED UNDER LAW.

(b) Release. TO THE EXTENT PERMITTED BY THE LAWS OF THE STATE, NONE OF THE INDEMNIFIED PARTIES SHALL BE LIABLE TO THE LESSEE FOR, AND THE LESSEE HEREBY RELEASES EACH OF THEM FROM ALL LIABILITY TO THE LESSEE FOR (I) ALL LOSSES, CLAIMS OR DAMAGES THE LESSEE MAY HAVE AGAINST ANY INDEMNIFIED PARTY RELATED TO THE ISSUANCE OF THE BONDS OR THE ADMINISTRATION OF THE BOND DOCUMENTS, OR (II) ALL INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OR PARTS OF ANY PROPERTY OWNED OR CLAIMED BY THE LESSEE THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE ACTS OR OMISSIONS OF THE INDEMNIFIED PARTIES (OTHER THAN NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT, THEFT OR BREACH OF ANY APPLICABLE LAWS, RULES, REGULATIONS, LICENSES, PERMITS, ORDINANCES OR ORDERS ON THE PART OF THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION OR BREACH BY THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION OF ANY OBLIGATION OR REPRESENTATION SET FORTH IN THIS FACILITIES LEASE, IN THE BOND DOCUMENTS, OR IN ANY WRITING DELIVERED BY SUCH INDEMNIFIED PARTY IN CONNECTION THEREWITH) IN CONNECTION WITH THE ISSUANCE OF THE BONDS OR IN CONNECTION WITH THE PROJECT.

Section 8.11 Limitation of Liability.

(a) Notwithstanding anything herein to the contrary, except as set forth in this Section, the liability of Lessor under this Facilities Lease or any other Bond Document shall be “non-recourse” and, accordingly, Lessee’s sole source of satisfaction of payment of such obligations shall be limited to the Lessor’s interest in the Project and Rental Payments, and any assets, income, or proceeds related thereto or arising therefrom, and Lessee shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising Lessor or from any assets of Lessor other than those described in this Section, notwithstanding the survival of any obligation of Lessor beyond the term hereof.

(b) Notwithstanding the foregoing, the Lessor shall be liable for (i) any (A) negligence, fraud or intentional misrepresentation or breach of any applicable laws, rules, regulations ordinances, orders, licenses or permits by the Lessor or any of its officers in connection with its performance of its obligations under this Facilities Lease or any other Bond Document, or (B) intentional failure by the Lessor or any of its officers to disclose a material fact actually known by the Lessor or any of its officers in connection with this Facilities Lease, to the extent of actual losses or damages actually suffered by the Lessee, the Issuer, the Trustee, or the owners of such Bonds as a result of such negligence, fraud, intentional misrepresentation, breach of any applicable laws, rules, regulations, ordinances, orders, licenses or permits or intentional failure to state a material fact; and (ii) misapplication after the date hereof of (A) Net Proceeds of any insurance covering any portion of the Project actually received by the Lessor or any of its officers, (B) Net Proceeds from the sale or condemnation of any portion of the Project actually received by the Lessor or any of its officers, or (C) rentals or other proceeds from any portion of the Project actually received by the Lessor or any of its officers, including the Rental Payments due under this Facilities Lease.

(c) No recourse under or upon any obligation, covenant, or agreement contained in this Facilities Lease, in any of the Bond Documents, or in any other documents delivered in connection with this Facilities Lease, or for any claim based thereon, or under any judgment obtained against the Lessor, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any authorized representative of the Lessor, any incorporator, organizer, director, member, officer, or agent, as such, past, present, or future of the Lessor or the Corporation, or any incorporator, director, member, officer, or agent of any successor entity, as such, either directly or through the Lessor, the Corporation, or any successor entity, or otherwise, for the payment for or to the Lessor or any receiver thereof, of any sum that may be due and unpaid by the Lessor under this Facilities Lease, any of the Bond Documents, or any other documents delivered in connection with this Facilities Lease.

(d) In addition to any other liability protections under this Facilities Lease or applicable law, no recourse under or upon any obligation, covenant, or agreement contained in this Facilities Lease, in any of the Bond Documents, or in any other documents delivered in connection with the issuance of the Bonds, or for any claim based thereon, or under any judgment obtained against the Lessee, or by the enforcement of any assessment or penalty or otherwise or by any legal or

equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any agents, commissioners, employees, or authorized representatives of the Lessee, for the payment for or to the Lessee or any receiver thereof, of any sum that may be due and unpaid by the Lessee under this Facilities Lease, any of the Bond Documents, or any other documents delivered in connection with this Facilities Lease.

ARTICLE IX

CASUALTY AND CONDEMNATION

Section 9.1 Casualty or Condemnation.

If (i) the Project or any part thereof is damaged by fire or other casualty or (ii) title to or temporary use of all or any portion of the Project or the interest therein of the Lessor, the Lessee or the Trustee is threatened or taken pursuant to the exercise of the power of eminent domain (whether by governmental body or by any company authorized by law to exercise powers of eminent domain):

(a) the Lessee shall give the Lessor and the Trustee prompt written notice of any notices received by the Lessee relating to the condemnation or casualty of which it has notice, and the Lessor shall give the Lessee and the Trustee prompt written notice of any notices received by the Lessor relating to the condemnation or casualty of which it has notice;

(b) the Lessor shall reasonably cooperate with the Lessee in filing any proof of loss on any insurance policy required hereunder and in any condemnation or negotiation for a conveyance in lieu thereof and, subject to the provisions below, the Lessor shall permit the Lessee to prosecute any administrative proceeding or litigation in connection with the Lessee's interest in the Project;

(c) all Net Proceeds shall be paid to and deposited by the Trustee into the Project Account of the Project Fund, and used as provided herein;

(d) all Net Proceeds shall be used in the repair, restoration, rebuilding, modification, replacement, substitution, or improvement of the Project by the Lessee in accordance with Article IX hereof and shall be drawn by the Lessee by means of a requisition in the form set out in Exhibit B to the Indenture which is hereby incorporated and made a part hereof;

(e) the Lessee shall be obligated to meet the requirements set out in Article VII above with respect to alterations and improvements;

(f) the Trustee shall have the right, but not the obligation, to participate in: (i) any condemnation or negotiations for any sale, conveyance or lease in lieu of condemnation and (ii) the adjustment of any casualty loss; and

(g) the Lessee shall not have the right to compromise, settle, adjust or consent to the settlement of any private adjustment or administrative or legal proceeding related to the adjustment

of an insurance claim or possible condemnation without the prior written consent of the Lessor and the Trustee.

Section 9.2 The Lessee's Options if Net Proceeds are Insufficient.

If the Net Proceeds are insufficient, in the judgment of the Lessee, to defray the anticipated cost of restoration, repair, modification, replacement, substitution or improvement following a condemnation or casualty, the Lessee may (but shall not be obligated to) (1) provide additional funds to complete the restoration of the Project from Available Funds in excess of the Rental Payments and any amounts received as proceeds from insurance or condemnation shall be applied to the restoration of the Premises, or (2) if the Lessee shall not appropriate funds to pay the additional amount required to restore the Premises, Lessee may terminate this Facilities Lease and notify the Lessor that it will assign its rights to any proceeds of insurance or condemnation to be applied to the extraordinary optional redemption of Bond as permitted by the Indenture and the Lessee shall have no further obligations hereunder. If any Net Proceeds and other amounts received as a result such insurance or condemnation, any remaining Net Proceeds shall be paid to the Lessee.

ARTICLE X

**PROJECT COSTS AND PAYMENT OF PROJECT COSTS; RENTAL PAYMENTS
AND ADMINISTRATIVE FEES**

Section 10.1 Issuance and Sale of the Bonds.

Subject to applicable terms, limitations and procedures, the Issuer will issue and sell the Bonds to finance the Lessor's development, redevelopment, construction, acquisition and preparation of the Project, at such interest rates and upon the terms as approved by the Lessor and the Lessee and in accordance with applicable Law and pursuant to the terms and conditions set forth in the Indenture.

Section 10.2 Project Costs; Payment of Project Costs.

(a) The Project Costs to be incurred by the Lessor for the development, redevelopment, construction, and site preparation of the Project are expected not to exceed \$111,128,313.00. The Lessor and the Lessee agree that, in order to ensure that sufficient funds will be available when required to pay (i) the Project Costs related to the Project and (ii) Costs of Issuance incurred in connection with the sale of the Bonds, there shall be deposited by the Lessor with the Trustee, on the Closing Date, as provided for in the Indenture and from the proceeds of the sale of the Bonds, the sum of \$112,062,418.42, which is the aggregate principal amount of the Bond less an underwriter's discount of \$459,084.43, plus a net original issue premium of \$8,641,502.85. Such sum shall be deposited in the funds created pursuant to the Indenture on the Closing Date, and the use and disbursement of such funds shall be governed by the Indenture.

(b) Lessee shall have the right to inspect the Project and confirm whether all required work has been completed other than minor "punch list" items, as more particularly set forth in Section 6.1 hereof.

(c) As a condition of the final disbursement of Project Costs from the Project Account of the Project Fund, the Lessee shall certify to the Trustee by delivery of an Acceptance Certificate that it has accepted the Project.

Section 10.3 Rental Payments and Administrative Fees.

(a) Subject to Section 10.5(b) herein, the Lessee shall pay to the Trustee on each Rental Payment Date the Rental Payments and Administrative Fees out of Available Funds. All Rental Payments and Administrative Fees shall be applied by the Trustee in accordance with Article IV of the Indenture. The Lessee shall be entitled to a credit against the Rental Payments at the times and in the amounts set forth and determined in accordance this Facilities Lease and/or with the Indenture; provided, however, that no credit shall be taken by the Lessee other than as specifically set forth in a written notice thereof to the Lessee and the Lessor from the Trustee.

(b) Subject to Section 10.5(b) herein, the Lessee also agrees to pay from lawfully Available Funds on such dates as they shall become due and owing all other amounts related to the operation and maintenance of the Project including, without limitation, Administrative Fees, fees and expenses of the Trustee, rating agency fees, fees and expenses of the dissemination agent, Issuer fees, utility charges and the premiums of insurance policies relating to the Project. In the event the Trustee incurs expenses or renders services in any proceedings which result from an Event of Default by the Lessee under Section 701(4) of the Indenture, or from any default which, with the passage of time, would become an Event of Default by Lessee, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

(c) All Rental Payments and Administrative Fees shall be payable to the Trustee at its address specified in the Indenture, or to such other person or entity and at such other address as the Trustee may designate by written notice to the Lessee, in lawful money of the United States of America.

(d) The Lessee agrees to cause amounts due from the Lessee with respect to Administrative Fees to be calculated, invoiced, collected and applied in accordance with Section 404 of the Indenture.

Section 10.4 Current Expenses.

The Lessee's obligations under this Facilities Lease, including its obligations to pay the Rental Payments, Administrative Fees and other payments required or elected, if any, to be made by the Lessee under this Facilities Lease during the respective Fiscal Year, shall constitute a current expense of the Lessee in the Fiscal Year during which such payments are due, and shall not constitute an indebtedness of the Lessee within the meaning of the laws of the State. Nothing in this Facilities Lease shall constitute a pledge by the Lessee to the Rental Payments and Administrative Fees due hereunder of any taxes or other money, other than Available Funds for the then current Fiscal Year.

Section 10.5 The Lessee's Obligation.

(a) Subject to the terms of subsection (b) of this Section, (i) the obligation of the Lessee shall be absolute and unconditional, (ii) the covenant to pay Rental Payments and Administrative Fees shall be an independent covenant and (iii) the Lessee shall have no right to withhold, set-off or reduce the amount of Rental Payments or Administrative Fees or the obligation to make such Rental Payments or Administrative Fees or other payments when due hereunder regardless of any claim or dispute it may have regarding this Facilities Lease. There shall be no abatement of Rental Payments or Administrative Fees for any reason whatsoever.

(b) The Lessee's obligation to make Rental Payments and to pay Administrative Fees is an unsecured obligation of the Lessee subject to the sufficiency of Available Funds and, in the Lessee's sole discretion, the Appropriation thereof for the payment of Rental Payments and Administrative Fees. The Lessee's obligations are conditioned upon a best efforts attempt to cause all Rental Payments and Administrative Fees to be made when the same shall become due and payable. The Lessor acknowledges that all payments by the Lessee are subject to Appropriation of funds sufficient for such payment, and are conditioned upon the best efforts attempt by the Lessee Board to cause all necessary amounts to be Appropriated to the Lessee as and when payments are due. The Lessee presently intends to continue this Facilities Lease for the entire Term and to pay all Rental Payments, Administrative Fees and other payments required hereunder subject to the proviso of Section 2.1(f) hereof. The Lessee reasonably anticipates that Available Funds in amounts sufficient to make all such Rental Payments, Administrative Fees or other payments required hereunder will be available for such purposes. Notwithstanding any provision herein to the contrary, nothing in his Facilities Lease shall be construed to limit the Lessee's ability to terminate this Facilities Lease at the end of any budget period, and in no event is the Lessee required to pursue funding before the Lessee can terminate the Lease. The Lessee hereby covenants and agrees to provide a written notice to the Lessor and the Trustee of any Event of Nonappropriation as set forth in Section 14.3 hereof.

Section 10.6 Corporation Fees.

In consideration for entering into this Facilities Lease and in recognition of the assistance to be provided by the Lessor and the Corporation to the Lessee to provide the Project for the Lessee's and its residents and to otherwise assist to the Lessee in furthering its mission, the Lessee agrees to pay the Corporation, or cause the Corporation to be paid, the following amounts;

(a) a closing fee equal to \$65,000.00, which amount will be payable out of the proceeds of the Bonds (the "Corporation Closing Fee"); and

(b) an annual fee in the amount \$55,000.00 (the "Corporation Annual Fee") shall be due and payable in equal semi-annual installments of \$27,500.00 by February 20 and August 20 each year commencing February 20, 2024, and shall be paid semi-annually as part of the Administrative Fees.

ARTICLE XI

COVENANTS OF LESSOR

Section 11.1 Separateness Covenants of the Lessor. The Lessor agrees that it will:

- (a) not incur indebtedness other than (i) its obligations under any of the Bond Documents or under any supplement hereto entered into in accordance with the terms hereof and indebtedness permitted under the Indenture, and (ii) trade payables in the ordinary course of its business that are related to the ownership and operation of the Project; and
- (b) when acting on matters subject to the vote of the Member and its Independent Manager of the Lessor, notwithstanding that the Lessor may not then be insolvent, take into account the interests of the Lessor's creditors;
- (c) require a unanimous vote of the Board of Trustees of the Member and its independent manager for the Lessor to take any Bankruptcy Action;
- (d) except as expressly permitted in the Bond Documents, not engage in any dissolution, liquidation, consolidation, merger, or sale of assets;
- (e) not transfer any direct or indirect ownership interest in the Lessor;
- (f) if there is a dissolution or other termination event for the Lessor, require the vote of a majority-in-interest of the Board of Trustees of the Member in order to continue the life of the Lessor;
- (g) take such action necessary to ensure that the Lessor is a separate and distinct entity separate from its Member or any other Affiliate which action shall include:
 - (i) maintaining books, financial records, and bank accounts (including checking and other bank accounts and custodian and other securities safekeeping accounts) that are separate and distinct from the books, financial records, and bank accounts of any other person or entity;
 - (ii) maintaining books, financial records, and bank accounts in a manner so that it will not be difficult or costly to segregate, ascertain, and otherwise identify the assets and liabilities of the Lessor;
 - (iii) not commingling any of its assets, funds, liabilities, or business functions with the assets, funds, liabilities, or business functions of any other person or entity;
 - (iv) observing all appropriate corporate and limited liability procedures and formalities;
 - (v) paying its own liabilities, losses, and expenses only out of its own funds;

(vi) maintaining separate annual financial statements prepared in accordance with GAAP, consistently applied, showing its assets and liabilities separate and distinct from those of any other person or entity;

(vii) in the event the financial statements of the Lessor are consolidated with the financial statements of any other entity, causing to be included in such consolidated financial statements a narrative description of the separate assets, liabilities, business functions, operations, and existence of the Lessor to ensure that such separate assets, liabilities, business functions, operations, and existence are readily distinguishable by any person or entity receiving or relying upon a copy of such consolidated financial statements;

(viii) paying or bearing the cost of the preparation of its financial statements, and having such financial statements audited by a certified public accounting firm that is not affiliated with the Lessor or its Affiliates;

(ix) not guaranteeing or becoming obligated for the debts or obligations of any other entity or person;

(x) not holding out its credit as being available to satisfy the debts or obligations of any other person or entity;

(xi) holding itself out as an entity separate and distinct from any other person or entity (including its Affiliates);

(xii) correcting any known misunderstanding regarding its separate identity and using separate stationery, business cards, purchase orders, invoices, checks, and the like bearing its own name;

(xiii) compensating all consultants, independent contractors, employees, and agents from its own funds for services provided to it by such consultants, independent contractors, employees, and agents;

(xiv) to the extent that the Lessor or any of its Affiliates share the same officers and other employees, allocating fairly, appropriately, and nonarbitrarily any salaries and expenses related to providing benefits to such officers and other employees between or among such entities, with the result that each such entity shall bear its fair share of the salary and benefit costs associated with all such common or shared officers or other employees;

(xv) to the extent that the Lessor or any of its Affiliates shall jointly contract or do business with vendors or service providers or share overhead expenses, allocating fairly, appropriately, and nonarbitrarily any costs and expenses incurred in so doing between or among such entities, with the result that each such entity shall bear its fair share of all such costs and expenses;

(xvi) to the extent the Lessor shall contract or do business with vendors or service providers where the goods or services shall be wholly or partially for the benefit of its

Affiliates, allocating fairly, appropriately, and nonarbitrarily any costs incurred in so doing to the entity for whose benefit such goods or services are provided, with the result that each such entity shall bear its fair share of all such costs;

(xvii) conducting its own business and holding all of its assets in its own name;

(xviii) maintaining an arm's-length relationship with its Affiliates and entering into transactions with Affiliates only on a commercially reasonable basis;

(xix) not pledging its assets for the benefit of any Affiliate of the Lessor;

(xx) not identifying itself as a division or department of any Affiliate of the Lessor;

(xxi) maintaining adequate capital in light of its contemplated business operations;

(xxii) conducting transactions between the Lessor and third parties in the name of the Lessor and as an entity separate and independent from its Affiliates;

(xxiii) causing representatives, employees, and agents of the Lessor to hold themselves out to third parties as being representatives, employees, or agents, as the case may be, of the Lessor;

(xxiv) causing transactions and agreements between the Lessor, on the one hand, and any one or more of its Affiliates, on the other hand (including transactions and agreements pursuant to which the assets or property of one is used or to be used by the other), to be entered into in the names of the entities that are parties to the transaction or agreement, to be formally documented in writing and to be approved in advance by the Bond Insurer;

(xxv) not make any loans to any person or entity or buy or hold any indebtedness issued by any other person or entity (except for cash and investment-grade securities);

(xxvi) cause the pricing and other material terms of all such transactions and agreements to be established at the inception of the particular transaction or agreement on commercially reasonable terms (substantially similar to the terms that would have been established in a transaction between unrelated third parties) by written agreement (by formula or otherwise); and

(xxvii) not create or suffer to be created any lien, except for Permitted Encumbrances, on the Project.

Section 11.2 Tax-Exempt Status of the Bonds.

(a) The Lessor intends that the interest on the Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code

and the applicable Regulations. The Lessor covenants and agrees not to take any action, or knowingly omit to take any action within its control that, if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes. In particular, the Lessor covenants and agrees to comply with each requirement of this Section 11.2(a); provided, however, that the Lessor shall not be required to comply with any particular requirement of this Section 11.2(a) if the Lessor has received an opinion of Bond Counsel ("*Counsel's Opinion*") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if the Lessor has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 11.2(a) will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 11.2(a).

(i) No Private Use or Payment and No Private Loan Financing. The Lessor covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds and take such other and further action as may be required so that the Bonds will be "qualified 501(c)(3) private activity bonds" within the meaning of Section 145 of the Code and the Regulations promulgated thereunder. Moreover, the Lessor shall certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds not to be "qualified 501(c)(3) private activity bonds" within the meaning of Section 145 of the Code and the Regulations promulgated thereunder.

(ii) Continuing Obligation. Notwithstanding any other provision of this Facilities Lease, the Lessor's obligations under the covenants and provisions of this Section 11.2 shall survive the defeasance and discharge of the Bonds.

Section 11.3 Lessening the Burdens of Government.

The charitable purposes of the Lessor's sole member, Community Finance Corporation, an Arizona non-profit corporation (the "Member") and an exempt organization described in Section 501(c)(3) of the Code, include, among others, lessening the burdens of government to erect, finance the erection of, and maintaining public buildings monuments or works. The Lessor and the Lessee the following findings pertaining to the charitable purposes of the Member:

(a) Reference is made to the provisions including but not limited to Section 292.003, Texas Government Code (the "Act"), pursuant to which the County undertook the express governmental purpose of developing, operating and maintaining branch office buildings, including County Sheriff's offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in the County (the "Expressed Burden").

(b) The Lessor, in accordance with authorization by and direction of the Member as the Lessor's sole member, is acting on behalf of the County with respect to undertaking the financing and development of the Project (the "Activities"), as more specifically detailed in the Development Agreement and this Facilities Lease.

(c) The County has found and determined that the Activities of the Lessor will increase the level of public safety and enhance the law enforcement capabilities in the County.

ARTICLE XII

COVENANTS OF LESSEE

Section 12.1 Cooperation by the Lessee.

The Lessee shall take the actions, enter into the agreements and provide the certifications contemplated by this Facilities Lease, and the Lessee shall otherwise cooperate with the Lessor and its agents to effect the lawful issuance and sale of the Bonds including, without limitation, the execution and delivery of a letter of representation. Such letter of representations will include representations and agreements of the Lessee regarding (i) due organization, (ii) authority of the Lessee to enter into and perform its obligations under this Facilities Lease, (iii) that all necessary action required for the lawful execution and delivery of this Facilities Lease has been taken by the Lessee, and has not been rescinded, (iv) that the Lessee is not in default under this Facilities Lease, any transaction document pertaining thereto or any other agreement or contractual obligation of the Lessee that would materially affect the operation of the Lessee or its financial condition, (v) that the information contained in the Official Statement regarding the Lessee is true and correct and does not omit any material information, (vi) that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court against the Lessee, wherein an unfavorable decision, ruling or finding would adversely affect the transactions provided for in this Facilities Lease and (vii) customary closing certificates.

Section 12.2 Tax-Exempt Status of the Bonds.

The Lessee intends that the interest on the Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code and the applicable Regulations. The Lessee covenants and agrees not to take any action, or knowingly omit to take any action within its control that, if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes. In particular, the Lessee covenants and agrees to comply with each requirement of this Section 12.2; provided, however, that the Lessee shall not be required to comply with any particular requirement of this Section 12.2 if the Lessor has received a Counsel's Opinion that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax- Exempt Bonds or if the Lessee has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 12.2(b) will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 12.2.

Section 12.3 No Private Use or Payment and No Private Loan Financing.

The Lessee covenants and agrees that it will make such use of the proceeds of the Tax-Exempt Bonds, including interest or other investment income derived from bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds and take such other and further action as may be required so that the Bonds will be “qualified 501(c)(3) private activity bonds” within the meaning of Section 145 of the Code and the Regulations promulgated thereunder. Moreover, the Lessee shall certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Bonds will not be used in a manner that would cause the Bonds not to be “qualified 501(c)(3) private activity bonds” within the meaning of Section 145 of the Code and the Regulations promulgated thereunder.

ARTICLE XIII

ASSIGNMENT, SUBORDINATION, SUBLEASING, MORTGAGING AND SELLING

Section 13.1 Assignment by the Lessor.

Subject to Section 4.1(b)(i) hereof, the Lessor may assign its right, title and interest in (but not its obligations, responsibilities or liabilities under) this Facilities Lease to the Trustee for the benefit of the Bondholders. The Lessee acknowledges and consents that the Lessor will assign its right, title and interest in (but not its obligations, responsibilities or liabilities under) this Facilities Lease to the Trustee for the benefit of the Bondholders. The Lessee shall pay all Rental Payments, Administrative Fees and all other amounts required to be paid to the Lessor pursuant to this Facilities Lease to or at the direction of Trustee or in accordance with this Facilities Lease. The Lessor and the Lessee covenant and agree to execute, acknowledge and deliver each and every further act, deed, conveyance, transfer and assurance necessary or proper for the perfection of any and all of the security interests in the Project provided for in the Indenture or the Deed of Trust, whether now owned or hereafter acquired, including, but not limited to, execution and delivery of such financing statements and continuation statements as shall be necessary under applicable Law to perfect and maintain such security interests. The Lessee and the Lessor shall notify the Trustee and any investment rating service that has issued a rating or an “if rated letter” of any proposed assignment other than the initial assignment to the Trustee. The rights of the Trustee under this Facilities Lease arise solely from the assignment of this Facilities Lease to the Trustee.

Section 13.2 Assignment by the Lessee.

During the Term of this Facilities Lease, the Lessee shall not assign or sublease its interest in the Project or in this Facilities Lease without the prior written consent of the Lessor and the Trustee, which consent will not be unreasonably withheld, conditioned, or delayed, and in consenting to any such assignment or sublease, the Lessor and the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that such assignment or sublease is authorized or permitted by the Bond Documents and will not adversely affect the tax-exempt status of the Bonds.

Section 13.3 The Lessee's Right to Mortgage or Sell the Project Restricted.

During the Term of this Facilities Lease, the Lessee shall not sell, assign (except as permitted above), transfer, convey, mortgage or otherwise encumber its interest in the Project or any portion thereof or in this Facilities Lease without the prior written consent of the Lessor and the Trustee, and in consenting to any such sale, assignment, transfer, conveyance, mortgage or other encumbrance, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that such sale, assignment, transfer, conveyance, mortgage or other encumbrance is authorized or permitted by the Bond Documents and will not adversely affect the tax-exempt status of the Bonds.

ARTICLE XIV

REMEDIES FOR DEFAULT AND NONAPPROPRIATION

Section 14.1 Remedies on Default.

Whenever an Event of Default of the Lessee shall have occurred and be continuing, the Lessor and the Trustee each shall have the right, but not the obligation, to the extent permitted by law, to take any or all of the following actions:

(a) with or without terminating this Facilities Lease, declare all Rental Payments due or to become due during the then current Fiscal Year to be immediately due and payable by the Lessee to the extent of Available Funds, in which event such Rental Payments, to the extent permitted by Law, shall be immediately due and payable;

(b) with or without terminating this Facilities Lease and without being deemed liable for trespass, re-enter and take possession of the Project and employ legal process to remove the Lessee; provided that the Lessee shall maintain its right of possession until conclusion of such legal process; with or without terminating this Facilities Lease, re-enter and take possession of the Project to complete construction of the Project, applying amounts in the Project Fund to pay Project Costs for such purpose.

(c) terminate this Facilities Lease upon giving thirty (30) days' prior written notice to the Lessee and the Trustee at the expiration of which the Lessee shall immediately surrender possession and control of the Project to the Lessor or a Permitted Assignee, as applicable exercise any remedies, rights or powers it may have under this Facilities Lease, the Deed of Trust or the Indenture, or under any Law, including any suit, action, mandamus or special proceeding at law or in equity or in bankruptcy or otherwise for the collection of all amounts due and unpaid during the then current fiscal year under the Bond Documents, for specific performance of any covenant or agreement contained in the Bond Documents or for the enforcement of any applicable legal or equitable remedy deemed most effective to protect the rights aforesaid to the extent permitted by applicable Law.

Section 14.2 No Holdover After Termination.

The Lessee shall immediately surrender possession of the Project to the Lessor or a Permitted Assignee upon termination of this Facilities Lease or the Lessee's right to possession of the Project under this Article. No holdover tenancy shall be permitted and the Lessee will, upon the termination of this Facilities Lease or the Lessee's right to possession of the Project, become a tenant at sufferance and during such tenancy the Lessee shall be required to make rental payments equal to the Rental Payments.

Section 14.3 Termination Upon Event of Nonappropriation.

The Lessee shall provide the Lessor and the Trustee with written notice within three (3) calendar days of the occurrence of an action by the Lessee Board that constitutes an Event of Nonappropriation. If funds sufficient to pay the Rental Payments, Administrative Fees or any other payments due during the next succeeding Fiscal Year are not Appropriated, then this Facilities Lease shall terminate effective at the end of the Fiscal Year for which sufficient funds have been Appropriated (and, in the case of a reduction of an Appropriation to an amount insufficient to pay Rental Payments and Administrative Fees, this Facilities Lease shall terminate immediately upon the approval of such reduction), which termination shall be self-operative without notice or demand. Upon the effective date of termination under this Article, the Lessee shall peaceably surrender possession and control of the Project to the Lessor or a Permitted Assignee and, subject to Section 14.4 hereof, the Lessee shall have no further liability or obligation hereunder from and after such effective date.

Section 14.4 Additional Remedies if Event of Nonappropriation Occurs.

If this Facilities Lease is terminated pursuant to Section 14.3 hereof and the Lessee fails to timely surrender possession or control of the Project to the Lessor or a Permitted Assignee, the Lessee, as a tenant at sufferance, shall pay, from and to the extent of Available Funds, damages in an amount equal to the Rental Payments, Administrative Fees or any other payments that accrue on a daily basis for the period from the effective date of termination to the date of delivery of possession and control of the Project.

Section 14.5 No Waiver of Breach; Notice of Default.

(a) No delay or failure by either party to insist upon or take action to enforce the strict performance of any covenant, agreement, term or condition of this Facilities Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental Payments during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Facilities Lease to be performed or complied with, and no breach thereof, shall be waived, altered or modified except by a written instrument. No waiver of any breach shall affect or alter this Facilities Lease, but each and every covenant, agreement, term and condition of this Facilities Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

(b) In order to entitle any party to exercise any remedy reserved to it in this Facilities Lease it shall not be necessary to give any notice, other than such notice as may be required in this Facilities Lease.

(c) The Lessee shall provide written notification to the Lessor and the Trustee upon the occurrence of any Event of Default identified in subsection (c) or (d) of the definition of “Event of Default.”

Section 14.6 The Lessor’s Remedies are Cumulative.

The Lessor’s remedies are cumulative and not exclusive and shall be in addition to every other remedy afforded by this Facilities Lease either now or hereafter existing at law or in equity, and the Lessor may pursue one or more of such remedies without being deemed to have elected its remedies.

Section 14.7 Trustee’s Right to Cure Defaults.

The Trustee shall have the right, but not the obligation, to cure any claimed Event of Default under this Facilities Lease by the Lessor or the Lessee.

ARTICLE XV

HAZARDOUS MATERIALS

Section 15.1 The Lessee’s Limited Right to Maintain Hazardous Materials.

The Lessee agrees to furnish, upon reasonable request of the Lessor, any and all information regarding Hazardous Materials existing or to be in existence at the Project including, without limitation, inventory records, manifests and material safety limitations, and material safety data sheets.

Section 15.2 The Lessee’s Obligations Regarding Hazardous Materials.

Except upon the Lessor’s prior written consent, the Lessee covenants that (a) Hazardous Materials shall not hereafter be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, released or otherwise placed in, on or under all or any part of the Project in violation of any Hazardous Materials Law; (b) no activity shall hereafter be undertaken on all or any part of the Project which would cause (i) all or any part of the Project to become a treatment, storage or disposal facility for Hazardous Materials in violation of any Hazardous Materials Law, (ii) a release or threatened release of any Hazardous Materials from the Project within the meaning of, and in violation of, any Hazardous Materials Law, or (iii) the discharge of Hazardous Materials into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Materials in violation of any Hazardous Materials Law; and (c) no activity shall be undertaken on or with respect to all or any part of the Project which would cause a violation or support a claim under any Hazardous Materials Law, and no underground storage tanks or underground deposits shall be located on all or any part of the Project.

Section 15.3 Notice of Hazardous Materials Claims.

The Lessee shall immediately advise the Lessor in writing of (a) any governmental or regulatory actions instituted or threatened under any Hazardous Materials Law affecting all or any part of or any interest in the Project, (b) all claims made or threatened by any party against the Lessee, the Lessor or the Project relating to damage, contribution, cost recovery, compensation or loss or injury resulting from any Hazardous Materials, (c) the discovery of or reasonable cause to believe, to the Actual Knowledge of the Lessee without any duty to investigate, that any occurrence or condition on any real property adjoining the Project that could cause the Project to be classified in a manner which may support a claim under any Hazardous Materials Law, and (d) the discovery of any occurrence or condition on any part of the Project or, to the Actual Knowledge of the Lessee without any duty to investigate, any real property adjoining the Project which could subject the Lessee or the Lessor or any part of the Project to any limitations or restrictions on the ownership, occupancy, transferability or use thereof. Each of the Lessor and the Trustee may elect (but shall not be obligated) to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims or responses under any Hazardous Materials Law related to the Project and to have its reasonable attorneys' fees relating to such participation paid by the Lessee. At its sole cost and expense from lawfully Available Funds, the Lessee agrees to promptly and completely cure and remedy every existing and future violation of a Hazardous Materials Law occurring on or with respect to any part of the Project and to promptly remove all Hazardous Materials now or hereafter in, on or under all or any part of the Project and to dispose of the same as required by any Hazardous Materials Law(s); provided, however, the Lessee shall not be in default hereunder so long as the Lessee (x) commences remediation work to remediate same within ten (10) days after written notice thereof (or, if the Lessee is unable to secure any permits or approvals of applicable governmental authorities required for such remediation during such 10-day period after using diligent and commercially reasonable efforts, upon its securing such permits, provided that the Lessee continues to attempt to secure the same in a diligent manner), and (y) thereafter diligently and expeditiously proceeds to remediate the same; provided, further, that the Lessee's obligations set forth in this sentence shall not apply to any such violations occurring, and Hazardous Materials present on the Project: (i) as a result of the Lessor's negligence, bad faith, willful misconduct, breach of this Facilities Lease or the Bond Documents, or breach of applicable laws, or (ii) prior to the Occupancy Date or after the date on which the Lessee shall not longer have effective control over the Project.

Section 15.4 The Lessee's Indemnity.

TO THE EXTENT PERMITTED BY LAW AND TO THE EXTENT OF LAWFULLY AVAILABLE FUNDS, THE LESSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE ISSUER, THE TRUSTEE, THEIR MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS, ATTORNEYS AND ASSIGNS FROM AND AGAINST (A) ANY LOSS, LIABILITY, DAMAGE, COST, EXPENSE OR CLAIM ARISING FROM THE IMPOSITION OR RECORDING OF A LIEN, THE INCURRING OF COSTS OF REQUIRED REPAIRS, REMEDIATION, CLEAN UP OR DETOXIFICATION AND REMOVAL UNDER ANY HAZARDOUS MATERIALS LAW WITH RESPECT TO ALL OR ANY PART OF THE PROJECT OR LIABILITY TO ANY THIRD PARTY IN CONNECTION WITH ANY VIOLATION OF A HAZARDOUS MATERIALS LAW TO THE EXTENT

APPLICABLE TO THE PROJECT; (B) ANY OTHER LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM WHICH MAY BE INCURRED BY OR ASSERTED AGAINST THE LESSOR, THE ISSUER, FORT BEND COUNTY, TEXAS, OR THE TRUSTEE, THEIR MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, SUCCESSORS OR ASSIGNS, DIRECTLY OR INDIRECTLY, ARISING FROM THE PRESENCE ON OR UNDER, OR THE DISCHARGE, EMISSION OR RELEASE FROM THE PROJECT INTO OR UPON THE LAND, ATMOSPHERE, OR ANY WATERCOURSE, BODY OF SURFACE OR SUBSURFACE WATER OR WETLAND, ARISING FROM THE INSTALLATION, USE, GENERATION, MANUFACTURE, TREATMENT, HANDLING, REFINING, PRODUCTION, PROCESSING, STORAGE, REMOVAL, REMEDIATION CLEAN UP OR DISPOSAL OF ANY HAZARDOUS MATERIAL IN, ON OR ABOUT THE PROJECT WHETHER OR NOT CAUSED BY THE LESSEE; AND (C) LOSS OF VALUE OF ANY OF THE PROJECT AS A RESULT OF ANY SUCH LIEN, REMEDIATION CLEAN UP, DETOXIFICATION, LOSS, LIABILITY, DAMAGE, EXPENSE OR CLAIM OR A FAILURE OR DEFECT IN TITLE OCCASIONED BY ANY HAZARDOUS MATERIAL OR HAZARDOUS MATERIALS LAW APPLICABLE TO THE PROJECT. SUCH INDEMNITY SHALL APPLY REGARDLESS OF ANY CLAIM THAT THE LESSOR, THE ISSUER, FORT BEND COUNTY, TEXAS, OR THE TRUSTEE WERE NEGLIGENT IN GRANTING THEIR CONSENT TO THE EXISTENCE OF HAZARDOUS MATERIALS IN, ON OR ABOUT THE PROJECT. THE INDEMNITY SHALL INCLUDE THE REASONABLE COSTS OF INVESTIGATION, SETTLEMENT AND DEFENSE OF SUCH CLAIMS AND THE REASONABLE ATTORNEYS' FEES OF COUNSEL OF THE INDEMNIFIED PARTY'S CHOOSING. THIS INDEMNITY SHALL SURVIVE THE EXPIRATION OR EARLY TERMINATION OF THIS FACILITIES LEASE AND SHALL NOT MERGE INTO THE FEE TITLE TO THE PROJECT IN THE EVENT THAT THE LESSEE PURCHASES THE PROJECT; PROVIDED, HOWEVER, THAT THIS INDEMNIFICATION SHALL NOT APPLY TO ANY LIABILITY, DAMAGES, LOSS, CLAIM OR EXPENSES TO THE EXTENT NOT CAUSED BY THE LESSEE AND (I) ARISING FROM THE NEGLIGENCE, WILLFUL MISCONDUCT, BREACH OF THIS FACILITIES LEASE, OR BREACH OF ANY APPLICABLE LAW, RULE, REGULATION, ORDINANCE, ORDER, LICENSE OR PERMIT OF OR BY THE PARTY BEING INDEMNIFIED, (II) ARISING PRIOR TO THE OCCUPANCY DATE, OR (III) CAUSED AFTER THE LESSEE IS NO LONGER IN EFFECTIVE POSSESSION OR CONTROL OF THE PROJECT. NOTHING CONTAINED IN THIS SECTION 15.4 IS INTENDED NOR SHALL IT BE CONSTRUED TO WAIVE ANY IMMUNITY TO WHICH THE LESSEE IS ENTITLED UNDER LAW. THE LESSEE'S INDEMNITY OBLIGATIONS CONTAINED IN THIS SECTION 15.4 ARE LIMITED TO THE EXTENT PERMITTED BY LAW AND TO THE EXTENT OF LAWFULLY AVAILABLE FUNDS, AND SHALL TERMINATE TWO (2) YEARS AFTER THE EARLIER TO OCCUR OF THE EXPIRATION OR EARLIER TERMINATION OF THIS FACILITIES LEASE OR THE DATE ON WHICH THE LESSEE IS REMOVED FROM EFFECTIVE POSSESSION OR CONTROL OF THE PROJECT.

Section 15.5 The Lessor's and the Trustee's Right to Take Remedial Action.

The Lessor, the Trustee or a Permitted Assignee shall have the right, but not the obligation, upon thirty (30) days' advance written notice, to take any remedial action to remove any Hazardous Materials from the Project or clean up any contamination resulting from the Lessee's violation of

any of the requirements of this Article. The Lessee shall reimburse the Lessor, the Trustee or a Permitted Assignee for the reasonable and actual costs of such remedial action from lawfully Available Funds to the extent permitted by applicable law.

Section 15.6 Notice of Any Discovered Matters.

(a) During the Term, the Lessor shall promptly inform Lessee and all applicable governmental authorities (to the extent required by applicable law) of any Hazardous Materials discovered by the Lessor, the Developer, the Architect (or by of their respective agents, contractors, or subcontractors) in, on or under the Project and promptly shall furnish to the Lessee any and all reports and other information available to such discovering party concerning the matter. The Lessor and the Lessee shall thereafter promptly consult as to the steps to be taken to investigate and, if necessary, remedy such matter.

(b) During the Term, the Lessee shall promptly inform Lessor and all applicable governmental authorities (to the extent required by applicable law) of any Hazardous Materials discovered by the Lessee, the Developer, the Architect (or by of their respective agents, contractors, or subcontractors) in, on or under the Project and promptly shall furnish to the Lessor any and all reports and other information available to such discovering party concerning the matter. The Lessor and the Lessee shall thereafter promptly consult as to the steps to be taken to investigate and, if necessary, remedy such matter.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Installation of the Lessee's Equipment.

The Lessee may at any time and from time to time, in its sole discretion and at its own expense, install items of personal property, movable machinery and equipment in or upon the Project, which items shall be identified by tags or other symbols affixed thereto as property of the Lessee not included in the Project. All such items so identified shall remain the sole property of the Lessee, in which the Lessor shall have no interest, and may be modified or removed by the Lessee at any time, provided that the Lessee shall repair and restore any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Facilities Lease shall prevent the Lessee from purchasing items to be installed pursuant to this Section 16.1 under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Project.

Section 16.2 Suitability of Project.

The Project has been reviewed, approved, and accepted by the Lessee, and the Lessor shall have no responsibility in connection with the suitability of the Project for the use intended by the Lessee.

Section 16.3 Operation and Maintenance of Project.

Except as may be set forth in the Indenture, the Lessor shall have no obligation to inspect, service, operate or maintain the Project or any portion thereof under any circumstances; such matters shall be performed by the Lessee.

Section 16.4 Assignment of Warranties.

The Lessor hereby assigns to the Lessee, for and during the Term of this Facilities Lease, all of its interest in all warranties and guarantees, express or implied, issued on or applicable to the Project, and the Lessor hereby authorizes the Lessee to obtain the customary services furnished in connection with such warranties and guarantees. The Lessor shall, at the Lessee's expense, reasonably cooperate with the Lessee in prosecuting any and all warranty and similar claims under the warranties and guarantees assigned by the Lessor to Lessee pursuant to the terms hereof.

Section 16.5 Notices.

Any notice required or permitted to be given hereunder by one party to another shall be in writing and shall be given using one or more of the following methods: (a) delivered in person to the address set forth below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, certified or registered mail return receipt requested, properly addressed to such party at the address hereinafter specified; (c) transmitted by facsimile (with receipt confirmed by telephone) or electronic mail; (d) deposited into the custody of a nationally recognized overnight delivery service addressed to such party at the address herein specified; or (e) delivered by messenger. Any notice given in the above manner shall be deemed effective (i) if given by mail, three days after its deposit into the custody of the U.S. postal service; or (ii) if employing any other method, upon receipt. The addresses for notices under this Facilities Lease and for all notices hereunder shall be:

If to the Lessor: CFC - SO Training Facility, LLC
c/o Community Finance Corporation
333 N. Wilmot Road, Suite 227
Tucson, AZ 85711
Phone: (520) 623-3377
Email: gmolenda@bdfc.com
Attention: Gary Molenda

If to the Lessee: Fort Bend County
301 Jackson
Richmond, Texas 77469
Phone: 832-344-6616
Email: Bridgette.Smith-Lawson@fortbendcountytexas.gov
Attention: County Attorney's Office

If to the Trustee: Zions Bancorporation, National Association,
1801 Main Street, Suite 460
Houston, Texas 77002

Phone: 713-232-1909
Email: ashley.reed@amegybank.com
Attention: Ashley Reed

Section 16.6 Certificates by the Lessor and the Lessee.

(a) The Lessee Estoppel Certificate. The Lessee agrees at any time and from time to time (not more than twice in any calendar year without reasonable compensation by the Lessor), upon not less than ten (10) Business Days' prior notice by the Lessor, to execute, acknowledge and deliver to the Lessor or any other party specified by the Lessor a statement in writing certifying that this Facilities Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which the Rental Payments payable by the Lessee hereunder have been paid, and stating whether or not to the best knowledge of the signer of such certificate, a breach or default has occurred in the performance of any covenant, agreement or condition contained in this Facilities Lease, and, if so, specifying each such default of which the signer may have knowledge.

(b) The Lessor Estoppel Certificate. The Lessor agrees at any time and from time to time (not more than twice in any calendar year without reasonable compensation by the Lessee) upon not less than ten (10) Business Days' prior notice by the Lessee to furnish to the Lessee, certificates signed and acknowledged by the Lessor certifying (a) that this Facilities Lease is in full force and effect and unmodified (or if there have been modifications, that such document is in full force and effect as modified); (b) that the Lessee is not in default under the terms of this Facilities Lease, that no event has occurred which through the passage of time will result in an Event of Default by the Lessee or if the Lessee is in default of this Facilities Lease, the nature of such Event of Default; (c) that no breach or default has occurred in the performance of any covenant, agreement or condition contained in this Facilities Lease by the Lessor, or if the Lessor is in breach or default, specifying the nature of such breach or default of which the signer may have knowledge; and (d) as to such other matters as may be reasonably requested by the Lessee. In no event shall the Lessor be required to certify to matters which it believes are inaccurate. The certificates may be relied upon by the Lessee.

Section 16.7 Invalidity.

If any term or provision of this Facilities Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Facilities Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Facilities Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 16.8 Captions.

The captions of this Facilities Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Facilities Lease or in any way affect this Facilities Lease.

Section 16.9 Table of Contents.

The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Facilities Lease or as supplemental thereto or amendatory thereof.

Section 16.10 Amendments, Changes and Modifications.

Subsequent to the issuance of the Bonds and prior to payment or provision for the payment of the Bonds in full (including interest and premium, if any, thereon) in accordance with the provisions of the Indenture and except as otherwise provided herein, this Facilities Lease may not be amended, changed, modified, altered or terminated by the Lessor or the Lessee except in compliance with Article IX of the Indenture.

Section 16.11 Choice of Law; Venue.

(a) THIS FACILITIES LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

(b) Venue for all purposes incident to this Facilities Lease shall lie exclusively in Fort Bend County, Texas.

Section 16.12 Successors and Assigns.

The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, the Lessor and the Lessee and their respective successors and (except as otherwise provided herein) assigns.

Section 16.13 Recording.

The Lessor and the Lessee will execute for purposes of recordation in the appropriate real property records, a memorandum, or short form of this Facilities Lease containing the names of the parties, a description of the Premises, the Term of this Facilities Lease and other such provisions as either party (or a Mortgagee) may require. The cost and expenses of recording the memorandum, or short form of this Facilities Lease, shall be borne by the Lessor.

Section 16.14 Use of Terms.

Wherever used, the singular shall include the plural and the plural the singular and the use of any gender shall be applicable to all genders.

Section 16.15 Approval and Registration.

The County Judge of Lessee is hereby authorized to have control of this Facilities Lease and all necessary records and proceedings pertaining to this Facilities Lease pending their investigation and examination by the Attorney General of the State and delivery of this Facilities Lease to the Lessor.

Section 16.16 Execution in Counterparts.

This Facilities Lease may be executed in multiple counterparts, each of which shall be an original, but taken together shall constitute only one instrument.

Section 16.17 References to the Lessor.

References in this Facilities Lease to the Lessor with respect to rights and benefits, other than with respect to fee title to the Project, shall mean the Trustee. References in this Facilities Lease to the Lessor with respect to obligations, responsibilities and liability shall mean CFC - SO Training Facility, LLC. References to approval or consent by the Lessor shall be deemed a right.

Section 16.18 Integration.

This Facilities Lease supersedes and replaces any and all prior agreements entered into between the parties hereto with respect to the subject matter hereof. This Facilities Lease is entered into simultaneously with the execution of the other Bond Documents.

Section 16.19 Verifications of Statutory Representations and Covenants.

The Lessor makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Facilities Lease. Liability for breach of any such verification during the term of this Facilities Lease shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Facilities Lease, notwithstanding anything in this Facilities Lease to the contrary.

(a) Not a Sanctioned Company. The Lessor represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code.

(b) No Boycott of Israel. The Lessor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Facilities Lease. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Lessor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Facilities Lease. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Lessor hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott

energy companies and will not boycott energy companies during the term of this Facilities Lease. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Section 16.20 Survival of Representations and Warranties.

The representations, warranties and indemnities contained in this Facilities Lease shall survive the expiration or termination of this Facilities Lease.

Section 16.21 Time is of the Essence.

Time is of the essence in this Facilities Lease.

Section 16.22 Matters Requiring Consent of the Trustee.

With respect to any matter as to which the Trustee is required or authorized to exercise discretion prior to the occurrence of an Event of Default, the Trustee shall do so only upon the written instruction of the Holders of not less than 51% in principal amount of the Outstanding Bonds. In all cases where the consent of both the Trustee and Bondholders is required or called for, the consent of the Holders of not less than 51% in principal amount of the Outstanding Bonds shall constitute a direction to the Trustee from all Holders to take such action.

Section 16.23 Form 1295.

Submitted prior to the date hereof (or herewith) is a completed and notarized Form 1295 for the Lessor in connection with the Lessor’s execution of this Facilities Lease generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Lessee hereby confirms receipt of a Form 1295 from the Lessor and agrees to acknowledge such form with the TEC through its electronic filing application. The Lessor and the Lessee understand and agree that, with the exception of information identifying the Lessor, neither the Lessee nor its consultants are responsible for the information contained in the Form 1295 and neither the Lessee nor its consultants have verified such information.

[Signature pages follow]

IN WITNESS WHEREOF, each of the parties has caused this Facilities Lease to be executed by its duly authorized officers as of the date first above written.

CFC - SO TRAINING FACILITY, LLC, an
Arizona limited liability company

By: Community Finance Corporation, an Arizona
nonprofit corporation, its sole-member

By: 

Name: Michael S. Hammond
Title: President

ATTEST:

By: 

Name: Kendall Bert

Title: Secretary

Signature Page to Lease

FORT BEND COUNTY, TEXAS:

By: KP George
KP George, County Judge

ATTEST:

By: Nichollette Ross
~~Laura Richard, County Clerk~~
Nichollette Ross, Chief Deputy County Clerk

Signature Page to Lease

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is dated as of December 1, 2023, and is executed and delivered by Fort Bend County, Texas (the “Obligated Party”) and Zions Bancorporation, National Association (the “Dissemination Agent”) in connection with the issuance of \$103,880,000 Fort Bend County, Texas Public Facility Corporation Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds” and the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2023 (the “Indenture”), by and between Fort Bend County, Texas Public Facility Corporation (the “Issuer”) and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The Bonds are being issued by the Issuer to provide monies to be loaned to CFC - SO Training Facility, LLC (the “Lessor”) pursuant to a Loan Agreement dated as of December 1, 2023 (the “Loan Agreement”), between the Issuer and the Lessor to be used by the Lessor to (i) finance the acquisition, design, construction and financing of an approximately 30 acres of land located in the City of Rosenberg, Texas to be used for branch office buildings, including Fort Bend County Sheriff’s offices, holding cells, and dispatch, Fort Bend County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in Fort Bend County (the “Project”) and (ii) pay costs relating to the issuance of the Bonds. The Project is to be leased by the Lessor to the Obligated Party pursuant to a Facilities Lease Agreement, dated as of December 1, 2023 (the “Facilities Lease”), and the lease payments made by the Obligated Party to the Lessor will be utilized to pay the debt service on the Bonds.

For valuable consideration, the receipt of which is acknowledged, the Dissemination Agent and the Obligated Party covenant and agree as follows:

SECTION 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Obligated Party and the Dissemination Agent for the benefit of the Bondholders (defined below) and the beneficial owners of the Bonds, and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Obligated Party and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices, or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, the Loan Agreement, and this Facilities Lease, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the first paragraph of this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Obligated Party pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Bondholder” or “Holder”, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Bond and any beneficial owner thereof.

“Disclosure Representative” shall mean any person designated by the Obligated Party in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean the initial Dissemination Agent hereunder, which is Zions Bancorporation, National Association, or any successor Dissemination Agent designated in writing by the Obligated Party and acceptable to the Issuer and the Lessor and which has filed with the Obligated Party a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

“Generally Accepted Accounting Principles” or “GAAP” shall mean the uniform accounting and reporting procedures set forth in the opinions, pronouncements and publications of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board or in such other statements by such other entity as may be of general use by significant segments of the accounting profession as in effect on the date hereof.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

“Participating Underwriters” shall mean any or all of the original broker, dealer, or municipal securities dealers acting as underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) The Obligated Party shall, or shall cause the Dissemination Agent to, not later than six (6) months after the end of each fiscal year of the Obligated Party, commencing with the Obligated Party’s fiscal year ending September 30, 2024, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. On or prior to said date (except that in the event the Obligated Party elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the Obligated Party to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Obligated Party has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. In each case, 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 4 of this Disclosure Agreement; provided that the audited financial statements of the Obligated Party may be submitted separately from the balance of the Annual Report in accordance with Section 4 of this Disclosure Agreement. The Obligated Party shall promptly notify the Dissemination Agent of any change in the Obligated Party's fiscal year. Unless otherwise provided by law, any continuing disclosure information filed pursuant to this Disclosure Agreement shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and shall be accompanied by such identifying information as prescribed by the MSRB. As of the date hereof, EMMA is the electronic format prescribed by the MSRB.

(b) If by 15 days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Obligated Party to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a) above, the Dissemination Agent shall send a reminder notice to the Obligated Party and the Issuer and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the Obligated Party, the Issuer, the Lessor, and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Obligated Party has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Disclosure Agreement, and stating the date it was provided (if such report was provided).

SECTION 4. Content of Annual Reports.

(a) The Obligated Party's Annual Report shall contain all quantitative financial information and operating data with respect to the Obligated Party of the general type included in the sale and offering documents for the Bonds, specifically in APPENDIX A and APPENDIX C (the financial statements of the Obligated Party) to the Official Statement for the Bonds. Any financial statements so to be provided shall be (1) prepared in accordance with Generally Accepted Accounting Principles or such other accounting principles as the Obligated Party may be required to employ from time to time pursuant to Texas law or regulation, and (2) audited, if the Obligated Party commissions an audit and the audit is completed within the period during which the Annual Report must be provided pursuant to this Disclosure Agreement. If the audit of such financial statements is not complete within such period, then the Obligated Party shall include unaudited financial statements in the Annual Report and provide audited financial statements when and if audited financial statements become available.

(b) Any or all of the items listed above may be incorporated by reference from other documents, including financial statements provided under subsection (a) above, the Official Statement for the Bonds, or other official statements of debt issues with respect to which the Obligated Party is an "obligated person" (as defined by the Rule), which have been (i) made available to the public on the MSRB's Electronic Municipal Markets Access (EMMA) System, the current internet web address of which is www.emma.msrb.org, or (ii) filed with the SEC. If

the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Party shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Obligated Party shall, or shall cause the Dissemination Agent to, give notice of the occurrence of any of the following Listed Events relating to the Bonds to the MSRB in a timely manner not later than ten (10) Business Days after the occurrence of any such Listed Event;

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2023 Bonds, or other material events affecting the tax status of the Series 2023 Bonds;
- (7) modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership, or similar event of the Obligated Party;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Obligated Party in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Party, or if such jurisdiction has been assumed by

leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Party;

(13) the consummation of a merger, consolidation, or acquisition involving the Obligated Party or the sale of all or substantially all of the assets of the Obligated Party, 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; and

(14) appointment of a successor or additional trustee or the change of the name of the trustee, if material.

(15) incurrence of a Financial Obligation of the Obligated Party, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Party of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Party, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any of the Listed Events set forth in subsection (a) above, contact the Disclosure Representative and inform such person of the event. “Actual knowledge” for purposes of this subsection (b) shall mean actual knowledge of an officer of the Corporate Trust Administration of the Dissemination Agent.

(c) Whenever the Obligated Party obtains knowledge of the occurrence of a Listed Event set forth in clauses (2), (7), (8) (relating to Bond calls only), (10), (13), or (14) of subsection (a) above, whether because of a notice from the Dissemination Agent pursuant to subsection (b) above or otherwise, the Obligated Party shall as soon as possible determine if such event would constitute material information for Bondholders, and if such event is determined by the Obligated Party to be material, the Obligated Party shall, or shall cause the Dissemination Agent to, give notice of such event to the MSRB not later than ten (10) Business Days after the occurrence of such event.

(d) If the Obligated Party elects to have the Dissemination Agent file notice of any Listed Event, the Obligated Party will provide the notice to the Dissemination Agent within 5 Business Days after the occurrence of the Listed Event, along with an instruction to file the notice with the MSRB.

SECTION 6. Termination of Reporting Obligation.

This Disclosure Agreement may be terminated by either party to this Disclosure Agreement upon thirty (30) days written notice of termination delivered to the other party to this Disclosure Agreement; provided that the termination of this Disclosure Agreement is not effective until (i) the Obligated Party, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide to the MSRB and the Holders of the Bonds all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Disclosure Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Notwithstanding the foregoing, this Disclosure Agreement shall terminate (i) automatically upon payment or provisions for payment of the Bonds or (ii) when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

SECTION 7. The Dissemination Agent.

(a) The Obligated Party may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer, the Obligated Party and the registered owners of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the Obligated Party or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the Obligated Party shall forthwith appoint a Dissemination Agent to act. The Obligated Party shall give or cause to be given written notice of any such appointment to the Bondholders, the Trustee (if the Trustee is not the Dissemination Agent), and the Issuer.

(d) Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Party and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment not modifying or otherwise affecting its duties, obligations, or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Agreement may be waived, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the Obligated Party or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or SEC interpretations of the Rule, as well as any change in circumstances, (3) the Obligated Party shall have delivered an opinion of counsel, addressed to the Issuer, the Obligated Party, the Lessor, the Dissemination Agent, and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Obligated Party shall have delivered to the Issuer, the Trustee, the Lessor, and the Dissemination Agent an opinion of counsel, or a determination by a person, in each case unaffiliated with the Obligated Party (such as bond counsel) and acceptable to the Obligated Party, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (ii) the Holders of the Bonds consent to the amendment to this Disclosure Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of the Holders of the Bonds pursuant to the Indenture as in effect on the date of this Disclosure Agreement, and (5) the Obligated Party shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions. If the Obligated Party so amends the provisions of this Disclosure Agreement, it shall include with any amended financial information or operating data next provided in accordance with Section 4 of this Disclosure Agreement an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligated Party chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Obligated Party shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event. Nothing in this Disclosure Agreement shall be deemed to prevent the Dissemination Agent from providing a notice or disclosure as it may deem appropriate pursuant to any other capacity it may be acting in related to the Bonds.

SECTION 10. Default. In the event of a failure of the Obligated Party or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the

Bonds, or any Bondholder may, after providing fifteen (15) days written notice to the Obligated Party to give the Obligated Party opportunity to comply within such fifteen-day period, take such actions as may be necessary and appropriate to compel performance, including seeking mandamus or specific performance by court order, in order to cause the Obligated Party 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 under the Loan Agreement, and the sole remedy available to the Dissemination Agent, any beneficial owners of the Bonds or the Bondholders under this Disclosure Agreement in the event of any failure of the Obligated Party or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Limitations and Disclaimers. The Obligated Party undertakes to provide only the financial information, operating data, financial statements and notices that it has expressly agreed to provide pursuant to this Disclosure Agreement and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition or prospects of the Obligated Party or hereby undertake to update any information provided in accordance with this Disclosure Agreement or otherwise, except as expressly provided herein. The Obligated Party does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell the Bonds at any future date. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Obligated Party under federal and state securities laws.

UNDER NO CIRCUMSTANCES SHALL THE OBLIGATED PARTY BE LIABLE TO BONDHOLDERS OR THE BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE OBLIGATED PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

SECTION 12. Duties, Immunities, and Liabilities of the Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the Obligated Party in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the Obligated Party. The Obligated Party agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or intentional misconduct. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Unless otherwise provided by contract with the Dissemination Agent, the Obligated Party shall pay or cause to be paid to the Dissemination Agent after reasonable notice to the Obligated Party in light of the reimbursement sought to be received, reasonable reimbursement for its reasonable expenses, charges, counsel fees, and expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. None of the provisions contained in this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Obligated Party under this Section to compensate the Dissemination Agent, to pay or reimburse the Dissemination Agent for expenses, disbursements, charges, and counsel fees and to indemnify and hold harmless the Dissemination Agent shall survive the termination of this Disclosure Agreement.

In no event shall the Dissemination Agent be liable for incidental, indirect, special, consequential, or punitive damages (including, but not limited to, lost profits), even if the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 13. Transmission of Notices, Documents, and Information. Unless otherwise required by the MSRB, all notices, documents, and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to the MSRB's Electronic Municipal Markets 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 provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Obligated Party, the Trustee, the Dissemination Agent, the Lessor, the Participating Underwriters, parties who can establish beneficial ownership of the Bonds and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Notices. The parties hereto may be given notices required hereunder at the addresses set forth for them in the Loan Agreement, this Facilities Lease, or the Indenture.

SECTION 17. Applicable Law. This Disclosure Agreement shall be governed by the laws of the State of Texas, and by applicable federal laws.

[Remainder of Page Intentionally Left Blank]

OBLIGATED PARTY:

FORT BEND COUNTY, TEXAS

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

DISSEMINATION AGENT:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
Trustee, Paying Agent and Registrar

Signature: 

Name: Ashley Reed

Title: Vice President

Amegy Bank Division

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**EXHIBIT A
TO CONTINUING DISCLOSURE AGREEMENT**

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Fort Bend County, Texas Public Facility Corporation (the “Issuer”).

Name of Bond Issue: \$103,880,000 Fort Bend County, Texas Public Facility Corporation Lease Revenue Bonds Series 2023

Name of Obligated Party: Fort Bend County, Texas

Date of Issuance: December 21, 2023.

NOTICE IS HEREBY GIVEN that the Obligated Party has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between Fort Bend County, Texas (the “Obligated Party”), and Zion Bancorporation, National Association, (the “Dissemination Agent”) dated as of December 1, 2023. The Obligated Party has informed the Dissemination Agent that the Annual Report will be filed with the Dissemination Agent by _____.

Dated: _____

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Dissemination Agent

Signature: _____

Name: _____

Title: _____

Amegy Bank Division

cc: Obligated Party
Issuer
Lessor

Appendix I-1

EXHIBIT A

DESCRIPTION OF PROJECT

Fort Bend County, Texas (the “County”) has identified the need for branch office buildings, including County Sheriff’s offices, holding cells, and dispatch, County Emergency Medical Services facilities, and a regional certified Level-1 law enforcement training facility in the County (the “Project”). The Project consists of approximately 30 acres of land located in the City of Rosenberg, Texas, to be ground leased to the Lessor by the Issuer pursuant to a ground lease solely for the purpose of constructing and leasing the Project to the County. The County has determined that the Project will (i) increase the level of public safety and enhance the law enforcement capabilities in the County, (ii) provide additional needed emergency services, and (iii) help attract and train law enforcement in the County.

Legal Description of the Land

A FIELD NOTE DESCRIPTION of 30.703 acres of Land (1,337,431 square feet) being a portion of the Fort Bend County original call 66.9852 acre tract (Volume 2154, Page 2217; Official Records of Fort Bend County, Texas) being in the S.A. Stone Survey (B.B.B. & C. Railroad Company Survey Section No. 10), Abstract No. 392, City of Rosenberg, Fort Bend County, Texas. The bearing basis for this description is referenced to the Texas Coordinates System of 1983 (South Central Zone) and was determined by Global Positioning System methods.

BEGINNING at a one-and-one half inch diameter iron pipe found for the West corner of said original call 66.9852 acre tract; Said corner being the North corner of the Steve Wleczyk call 121.55 acre tract (Tract No. 4) out of the Partition of the Katy Wleczyk call 463.97 acre tract (Case No. 46-CPR-003208 – Volume 13, Pages 326-335; Probate Minutes of Fort Bend County, Texas), being the East corner of the original Anton W. Wleczyk call 94.67 acre tract out of said Partition (Tract No. 3), and being the most Southerly corner of an original call 16.612556 acre tract (Volume 2494, Page 984; Official Records of Fort Bend County, Texas and Exhibit "B" - Volume 723, Page 826; Deed Records of Fort Bend County, Texas); Said corner being the South corner of the Fort Bend County call 0.31 acre tract (Tract U – 6 feet wide; Fort Bend County Clerk's File No. 9824711), bears South 47 degrees, 19 minutes, 28 seconds East – 2245.73 feet along the Southwesterly line of said call 0.31 acre tract with the Southwesterly right-of-way line of Klauke Road (also known as "Stella Road", no dedication information available – deed calls total 120.43 feet wide) as occupied on the ground and being partially along the Northeasterly line of a call 14.333 acre tract (Tract 2; Fort Bend County Clerk's File No. 2021139229) from a 5/8 inch diameter iron rod inside a two-inch inside diameter iron pipe found for the West corner of said call 0.31 acre tract; Said beginning corner being the West corner of this 30.703 acre tract;

THENCE; North 43 degrees, 7 minutes, 9 seconds East, at 6.00 feet pass a point for the East corner of said call 0.31 acre tract and for the South corner of the Fort Bend County call 3.121 acre tract of Land (Tract B – 60 feet wide; Fort Bend County Clerk's File No. 9530027 and No. 9530028), at 66.00 feet pass a point for the East corner of said call 3.121 acre tract and for the South corner of the Fort Bend County call 4.791 acre tract of Land (Tract C – 134.43 feet wide; Fort Bend County Clerk's File No. 9530027 and No. 9530028), in all 69.05 feet crossing said right-of-way of Klauke Road as occupied on the ground along the Northwesterly line of said original call 66.9852 acre tract with the Southeasterly line of said original call 16.612556 acre tract to a 5/8 inch diameter iron rod with plastic cap (labelled "1943 4349 5829", typical) set for the most Northerly Northwest corner of this tract; Said corner being the Southwest corner of a 120-foot wide tract of Land to be dedicated for road right-of-way;

THENCE; Easterly, crossing said original call 66.9852 acre tract along the Southerly line of said 120-foot wide tract with the following courses and distances:

Northeasterly, along a non-tangent curve to the left, the radius point bears North 19 degrees, 24 minutes, 21 seconds East, with the following curve data:

Radius: 850.00 feet
Delta: 51 degrees, 16 minutes, 57 seconds
Length: 760.79 feet
Tangent: 408.00 feet
Chord: North 83 degrees, 45 minutes, 53 seconds East – 735.65 feet to a 5/8 inch diameter iron rod with plastic cap set for point of tangent corner of this tract;

North 58 degrees, 7 minutes, 25 seconds East – 268.76 feet to a 5/8 inch diameter iron rod with plastic cap set for point of curve of this tract;

Southeasterly, along a tangent curve to the right with the following curve data:

Radius: 780.00 feet
Delta: 74 degrees, 38 minutes, 12 seconds
Length: 1016.07 feet
Tangent: 594.60 feet
Chord: South 84 degrees, 33 minutes, 29 seconds East – 945.74 feet to a 5/8 inch diameter iron rod with plastic cap set for point of tangent corner of this tract;

South 47 degrees, 14 minutes, 22 seconds East – 114.30 feet to a 5/8 inch diameter iron rod with plastic cap set for the East corner of this tract; Said corner being the most Easterly Southeast corner of said 120-foot wide tract, bears South 42 degrees, 18 minutes, 46 seconds West – 478.27 feet along the Southeasterly line of said original call 66.9852 acre tract with the Northwesternly line of the Fort Bend County original call 81.200 acre Fairgrounds tract (Volume 518, Page 14; Deed Records of Fort Bend County, Texas) being along the Northwesternly line of West Fairgrounds Road (no dedication information available) as occupied on the ground from a 5/8 inch diameter iron rod found for the South corner of a call 1.85 acre tract (Fort Bend County Clerk's File No. 9829704);

THENCE; South 42 degrees, 18 minutes, 46 seconds West, at 1342.65 feet pass a one-inch inside diameter iron pipe found for the North corner of Fairpark Village Section 5 subdivision (Fort Bend County Plat No. 20130272), in all 1456.99 feet along the Southeasterly line of said original call 66.9852 acre tract with the Northwesternly line of the original Hattie Leffler call 80 acre tract (Volume 372, Page 109; Deed Records of Fort Bend County, Texas) to a two-and-one-half inch inside diameter iron pipe found for the South corner of this tract; Said corner being the South corner of said original call 66.9852 acre tract and being the East corner of said call 121.55 acre tract in the Northwesternly line of Restricted Reserve "B" of said Fairpark Village Section 5;

THENCE; North 47 degrees, 13 minutes, 49 seconds West – 1432.11 feet along the Southwesterly line of said original call 66.9852 acre tract with the Northeasterly line of said call 121.55 acre tract to the **PLACE OF BEGINNING** and containing 30.703 acres of Land.

EXHIBIT B

PERMITTED ENCUMBRANCES

[TO COME]

EXHIBIT C

FORM OF ACCEPTANCE CERTIFICATE

FORT BEND COUNTY, TEXAS (*the "Lessee"*), as lessee under that certain FACILITIES LEASE AGREEMENT, dated as of December 1, 2023 (*the "Lease"*) with CFC - SO TRAINING FACILITY, LLC (*the "Lessor"*), hereby acknowledges receipt in good condition of all the Project described in Exhibit A to the Lease, hereby accepts such Project, and hereby certifies that the Lessor has fully and satisfactorily performed all covenants and conditions to be performed by it under the Lease with regard to the Lessor's development, redevelopment, construction, acquisition and preparation of the Project. The Lessee has obtained the insurance required by the Lease and the same are in full force and effect.

There is no litigation action, suit or proceeding, pending or, to the best of my knowledge, threatened before any court, administrative agency, arbitrator, or governmental body, that challenges the organization or the existence of the Lessee; the authority of its respective officers and officials; the proper authorization, approval or execution of the Lease and other authorization, approval or execution of the Lease and other documents contemplated thereby; or the ability of the Lessee otherwise to perform its obligations under the Lease and the other documents and the transactions contemplated thereby.

This Certificate does not and shall not prejudice Lessee's right to require the full completion of any "punch list" items or any warranties, guarantees or other rights against third parties presently extant on the day hereof or which may come into existence hereafter.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Lease.

Completion Date: _____

EXECUTED as of _____

FORT BEND COUNTY, TEXAS

By: _____

Name: _____

Title: _____

EXHIBIT D

LIABILITY INSURANCE COVERAGE REQUIREMENTS

Contractor's Coverage

Workers Compensation	Statutory
Employers Liability	\$1,000,000
Commercial Comprehensive General Liability Insurance including premises/operations, independent contractors, products/completed operations, personal injury, contractual liability and explosion, collapse and underground property damage	\$1,000,000 per occurrence \$2,000,000 annual aggregate
Builder's risk insurance, in an amount equal to 100% of the replacement costs of applicable work, providing all risk coverage on the applicable Improvements and materials stored on the Land and elsewhere, including the perils of collapse, damage resulting from faulty workmanship or materials, and water damage	Full insurable value
Automobile Liability	
a. Each Person Each Occurrence	\$1,000,000
b. Property Damage Each Occurrence	\$1,000,000
or \$10,000,000 Combined Coverage limit	
Umbrella Excess Liability	\$5,000,000

All Contractor's policies must: (1) meet the requirements set out in Section 8.9 of the Lease and name the Issuer, the Lessor, the Lessee and Trustee as additional insureds and the Trustee as the loss payee.

EXHIBIT E

RENTAL PAYMENT SCHEDULE

<u>Rental Payment Date</u>	<u>Rental Payment</u>	<u>Annual Administrative Fee</u>	<u>Total Payment</u>
3/1/2024	\$1,009,944.44	\$27,500	\$1,037,444.44
9/1/2024	2,597,000.00	27,500	2,624,500.00
3/1/2025	4,227,000.00	27,500	4,254,500.00
9/1/2025	2,556,250.00	27,500	2,583,750.00
3/1/2026	4,271,250.00	27,500	4,298,750.00
9/1/2026	2,513,375.00	27,500	2,540,875.00
3/1/2027	4,318,375.00	27,500	4,345,875.00
9/1/2027	2,468,250.00	27,500	2,495,750.00
3/1/2028	4,363,250.00	27,500	4,390,750.00
9/1/2028	2,420,875.00	27,500	2,448,375.00
3/1/2029	4,415,875.00	27,500	4,443,375.00
9/1/2029	2,371,000.00	27,500	2,398,500.00
3/1/2030	4,466,000.00	27,500	4,493,500.00
9/1/2030	2,318,625.00	27,500	2,346,125.00
3/1/2031	4,523,625.00	27,500	4,551,125.00
9/1/2031	2,263,500.00	27,500	2,291,000.00
3/1/2032	4,578,500.00	27,500	4,606,000.00
9/1/2032	2,205,625.00	27,500	2,233,125.00
3/1/2033	4,640,625.00	27,500	4,668,125.00
9/1/2033	2,144,750.00	27,500	2,172,250.00
3/1/2034	4,704,750.00	27,500	4,732,250.00

9/1/2034	2,080,750.00	27,500	2,108,250.00
3/1/2035	4,770,750.00	27,500	4,798,250.00
9/1/2035	2,013,500.00	27,500	2,041,000.00
3/1/2036	4,843,500.00	27,500	4,871,000.00
9/1/2036	1,942,750.00	27,500	1,970,250.00
3/1/2037	4,917,750.00	27,500	4,945,250.00
9/1/2037	1,868,375.00	27,500	1,895,875.00
3/1/2038	4,993,375.00	27,500	5,020,875.00
9/1/2038	1,790,250.00	27,500	1,817,750.00
3/1/2039	5,075,250.00	27,500	5,102,750.00
9/1/2039	1,708,125.00	27,500	1,735,625.00
3/1/2040	5,163,125.00	27,500	5,190,625.00
9/1/2040	1,621,750.00	27,500	1,649,250.00
3/1/2041	5,256,750.00	27,500	5,284,250.00
9/1/2041	1,530,875.00	27,500	1,558,375.00
3/1/2042	5,350,875.00	27,500	5,378,375.00
9/1/2042	1,435,375.00	27,500	1,462,875.00
3/1/2043	5,450,375.00	27,500	5,477,875.00
9/1/2043	1,335,000.00	27,500	1,362,500.00
3/1/2044	5,555,000.00	27,500	5,582,500.00
9/1/2044	1,229,500.00	27,500	1,257,000.00
3/1/2045	5,664,500.00	27,500	5,692,000.00
9/1/2045	1,118,625.00	27,500	1,146,125.00
3/1/2046	5,783,625.00	27,500	5,811,125.00
9/1/2046	1,002,000.00	27,500	1,029,500.00

3/1/2047	5,907,000.00	27,500	5,934,500.00
9/1/2047	879,375.00	27,500	906,875.00
3/1/2048	6,034,375.00	27,500	6,061,875.00
9/1/2048	750,500.00	27,500	778,000.00
3/1/2049	6,170,500.00	27,500	6,198,000.00
9/1/2049	615,000.00	27,500	642,500.00
3/1/2050	6,310,000.00	27,500	6,337,500.00
9/1/2050	472,625.00	27,500	500,125.00
3/1/2051	6,462,625.00	27,500	6,490,125.00
9/1/2051	322,875.00	27,500	350,375.00
3/1/2052	6,617,875.00	27,500	6,645,375.00
9/1/2052	165,500.00	27,500	193,000.00
3/1/2053	6,785,500.00	27,500	6,813,000.00