
SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$7,000,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, INCLUDING A TAX-EXEMPT SERIES AND A TAXABLE SERIES IF NECESSARY, OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA; AUTHORIZING THE SOUTH CAROLINA ASSOCIATION OF GOVERNMENTAL ORGANIZATIONS TO FACILITATE THE SALE OF THE BONDS UNDER ITS GENERAL OBLIGATION DEBT PROGRAM; PRESCRIBING THE TERMS AND CONDITIONS UNDER WHICH THE BONDS MAY BE ISSUED; AUTHORIZING THE DISTRICT SUPERINTENDENT OF THE SCHOOL DISTRICT TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted: April 13, 2020

BE IT RESOLVED, BY THE BOARD OF TRUSTEES OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall have, for all purposes of this Resolution, the meanings hereinafter specified, with the definitions equally applicable to both the singular and plural forms and vice versa. The term:

“Acquisition Agreement” shall mean the Acquisition, Use and Security Agreement, dated March 29, 2018 between the School District and Regions Bank for the purpose of financing the costs of certain equipment in the School District.

“Board” shall mean the Board of Trustees of School District No. 5 of Spartanburg County, South Carolina.

“Bondholder” or the term “Holder” or any similar term shall mean the registered owner of the Bond.

“Bonds” shall mean the total aggregate principal amount of bonds authorized and issued pursuant to this Resolution.

“Bond Act” shall mean Title 59, Chapter 71, Article 1, and Section 11-27-50 of the Code of Laws of South Carolina, 1976, as amended.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 7 hereof.

“Debt Limit” shall mean, as provided in Article X, Section 15(6) of the Constitution, an amount determined from time to time equal to eight percent of the assessed value of all taxable property of the School District.

“District Superintendent” shall mean the Superintendent of the School District.

“Installment Agreement” shall mean the Amended and Restated Installment Purchase and Use Agreement by and between the School District and SCAGO Educational Facilities Corporation for Spartanburg School District No. 5 dated October 10, 2013.

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

“Paying Agent” shall mean the School District, unless otherwise determined by the District Superintendent.

“Registrar” shall mean the School District, unless otherwise determined by the District Superintendent.

“Resolution” shall mean this Resolution.

“SCAGO” shall mean the South Carolina Association of Governmental Organizations.

“SCAGO Certificates” shall mean certificates of participation evidencing undivided proportionate interests in the GO Debt (hereinafter defined) of the participating school districts issued by SCAGO pursuant to the SCAGO Trust Agreement.

“SCAGO Trust Agreement” shall mean the Trust Agreement by and between the South Carolina Association of Governmental Organizations and the Trustee, dated as of a date to be determined by the parties thereto pursuant to which the SCAGO Certificates (hereinafter defined) will be issued.

“S.C. Code” shall mean the Code of Laws of South Carolina, 1976, as amended.

“School District” shall mean School District No. 5 of Spartanburg County, South Carolina.

“School District Representative” shall mean the person or persons at the time designated to act on behalf of the School District in matters relating to the Bonds as evidenced by a written certificate furnished to SCAGO and the Trustee containing the specimen signature of such person or persons and signed on behalf of the School District by the Chair or Vice Chair of the Board or the District Superintendent. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the School District Representative.

“State” shall mean the State of South Carolina.

“Taxable Bonds” to the extent issued, shall mean that portion or series of the Bonds authorized and issued hereunder, the interest on which is not excluded from gross income of the bondholders thereof for federal income tax purposes pursuant to the provisions of the IRC and the regulations promulgated thereunder in effect on the date of original issuance of the Taxable Bonds.

“Tax-Exempt Bonds” shall mean that portion or series of the Bonds authorized and issued hereunder, the interest on which is excludable from gross income of the bondholders thereof for federal income tax purposes pursuant to the applicable provisions of the IRC and the regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds.

“Trustee” shall mean Wells Fargo Bank, N.A., or such other bank or trust company named by SCAGO.

SECTION 2. Findings and Determinations. The Board of the School District hereby finds and determines:

(a) The School District was created by Order of Consolidation of the Spartanburg County Board of Education dated November 24, 1951, under which all school districts of Spartanburg County were consolidated into seven districts. The School District is a duly constituted body politic and political subdivision of the State.

(b) Pursuant to the provisions of Act No. 189 (1995 Acts), each of the seven boards of trustees of the school districts within Spartanburg County were vested and allocated with total fiscal autonomy. The Spartanburg County Board of Education (the “County Board”) was empowered to perform certain functions and all other powers, if any, formerly possessed by the County Board were devolved upon the seven boards of trustees of the local districts of Spartanburg County. Pursuant to Act No. 499 (1998 Acts), those remaining powers and duties of the County Board were devolved upon the Spartanburg County Education Oversight Committee, and the County Board was abolished.

(c) Article X, Section 15, of the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”), provides that after November 30, 1982, the governing body of any school district may incur general obligation debt in an amount not exceeding eight percent (8%) of the assessed value of all

taxable property of such school district and upon such terms and conditions as the General Assembly may prescribe.

(d) The Bond Act provides that the board of trustees of any school district may issue general obligation bonds of such school district for the purpose of defraying the cost of “capital improvements” (as defined therein) to any amount not exceeding the constitutional debt limitation applicable to such school district.

(e) Section 11-27-50(2) of the Bond Act further provides that if an election be prescribed by the provisions of the Bond Act but is not required by the provisions of Article X of the Constitution, then in every such instance, no election need be held and the remaining provisions of the Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions. Section 11-27-90 of the S.C. Code further provides that any school district of the State may issue bonds in fully registered form.

(f) The School District’s Financial Advisor, Compass Municipal Advisors (“Compass”) has advised the School District that the South Carolina Association of Governmental Organizations (“SCAGO”) has been formed to facilitate one or more pooled borrowing programs including a pooled general obligation debt program (the “SCAGO GO Program”) for school districts in the State. Each participating school district in the SCAGO GO Program will have its general obligation debt (“GO Debt”) sold together with general obligation debt issued by the other participating school districts in order to achieve a lower net interest cost and lower issuance costs associated with its GO Debt. Pursuant to the terms of the SCAGO GO Program, SCAGO will cause the execution and delivery of SCAGO Certificates pursuant to the SCAGO Trust Agreement.

(g) The School District previously has entered into the Installment Agreement with SCAGO Educational Facilities Corporation for Spartanburg School District No. 5 (the “Corporation”) pursuant to which the Corporation agreed to sell the 2013 Facilities (as defined in the Installment Agreement) to the School District upon payment by the School District of Installment Payments (as defined in the Installment Agreement and including Base Payments and Additional Payments). Such Installment Payments are payable on or before the 20th day prior to each June 1 and December 1, and each payment of Installment Payments is in consideration for the conveyance of title to the School District of an undivided interest in the 2013 Facilities. In addition, the School District has previously entered into the Acquisition Agreement pursuant to which the School District acquires unencumbered title and ownership of certain Equipment (as defined in the Acquisition Agreement) upon payment by the School District of Acquisition Payments (as defined in the Acquisition Agreement). Such Acquisition Payments are payable on or before June 1 of each of the years 2018 to and including 2028, and each payment of Acquisition Payments is in consideration for the acquisition of unencumbered title and ownership of a portion of the Equipment.

(h) The assessed value of all taxable property in the School District is not less than \$327,957,127, which includes the 1987 assessed value of merchant’s inventory of \$1,100,950. Eight (8%) percent of such sum is \$26,236,570. As of the date hereof, the outstanding general obligation debt of the School District subject to the Debt Limit consists of the following: (i) \$18,200,000 original principal amount General Obligation Bonds, Series 2015B, dated July 15, 2015, currently outstanding in the principal amount of \$12,250,000; (ii) \$4,375,000 original principal amount General Obligation Bonds, Series 2018A, dated March 29, 2018, currently outstanding in the principal amount of \$2,865,000; and \$4,000,000 original principal amount General Obligation Bond, Series 2019B, dated June 20, 2019, currently outstanding in the principal amount of \$1,326,000. Thus, the School District may incur at least \$9,795,570 of general obligation debt within its Debt Limit. Further, to the extent there are monies in the School District’s debt service fund held by the Spartanburg County Treasurer, those amounts may be considered when calculating the School District’s Debt Limit. Prior to the issuance of any series of Bonds authorized by this Resolution,

the School District will insure the final principal amount of the Bonds issued does not exceed the School District's Debt Limit, including monies held in the School District's debt service fund.

(i) Pursuant to the authority granted in a Resolution adopted by the Board on April 22, 2019, the School District has adopted Written Procedures related to Tax-Exempt Debt.

(j) It is in the best interest of the School District to participate in the SCAGO GO Program and to provide for the issuance and sale of the Bonds of the School District pursuant to the aforesaid provisions of the Constitution and laws of the State in the principal amount of not to exceed \$7,000,000 for the purposes of providing funds to be applied for any one or more of the following purposes: (1) make all or a portion of the Installment Payments under the Installment Agreement to acquire an undivided interest in the 2013 Facilities; (2) make all or a portion of the Acquisition Payments under the Acquisition Agreement to acquire an undivided interest in the Equipment; (3) acquire school facilities; (4) fund capital improvements (the "Project"), if any; and (5) pay costs of issuance of the Bonds.

SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$7,000,000 general obligation bonds (the "Bonds") of the School District, in one or more series, to obtain funds for any of the purposes mentioned in Section 2(j) above, including any financial and legal fees relating thereto and other incidental costs of issuing the Bonds. The Bonds may be issued in one or more series, each with an appropriate series designation, and, if necessary, one or more of the series of the Bonds may be designated as Taxable Bonds.

Each of the Bonds shall be issued as a single fully-registered Bond; shall be dated as of the date on which each Bond is delivered to the initial purchaser thereof or such other date as the District Superintendent determines; shall be in denominations equal to the respective par amount of each Bond not exceeding \$7,000,000 in the aggregate; shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from its respective date payable on the maturity date thereof, at the respective rate as may be determined by the District Superintendent at the time of the sale thereof; and shall mature on the respective date as determined by the District Superintendent.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Unless otherwise determined by the Chair or Vice Chair of the Board or the District Superintendent, the School District, is hereby designated as the Registrar and Paying Agent for the Bonds.

SECTION 4. Redemption Provisions. The Bonds shall not be subject to redemption prior to their respective maturities.

SECTION 5. Authority to Determine Certain Matters. For each series of Bonds, the District Superintendent is hereby authorized and empowered to: (a) determine the par amount of the Bonds; (b) determine the original issue date of the Bonds; (c) determine the respective maturity dates and respective principal amounts maturing on such dates; (d) determine the interest payment date and principal payment date if different from that set forth herein; (e) designate a Paying Agent and Registrar for each series of Bonds if different from that set forth herein; (f) determine the date and time of sale of each series of the Bonds; (g) receive bids on behalf of the School District and award the sale of each series of Bonds in accordance with the terms of the respective Notice of Sale for each series of Bonds; and (h) execute all other agreements, certificates and documents as may be necessary or required in connection with the issuance of each series of Bonds.

SECTION 6. Authorization to Sell General Obligation Bonds outside the SCAGO GO Program.

The Board hereby delegates to the District Superintendent the authority to cause any series of Bonds authorized herein to be sold and issued outside the SCAGO GO Program. The District Superintendent, upon advice from Bond Counsel, is hereby authorized to approve the forms of such documents as shall be necessary to issue any series of Bonds as a separate stand-alone Bond. The Chair, Vice Chair, District Superintendent or other authorized officials of the School District are hereby authorized to execute and delivery the documents as approved by the District Superintendent.

SECTION 7. Registration, Transfer and Exchange of Bonds. The School District shall cause the Books of Registry to be kept at the offices of the Registrar for the registration and transfer of the Bonds. Upon presentation at its office for such purpose, the Registrar shall register or transfer, or cause to be registered or transferred, on such Books of Registry, the Bonds under such reasonable regulations as the Registrar may prescribe.

The Bonds shall be transferable only upon the Books of Registry of the School District, which shall be kept for such purpose at the principal office of the Registrar, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the Registrar on behalf of the School District shall issue in the name of the transferee a new fully-registered Bond of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar.

The School District, the Registrar and the Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the Books of Registry as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes; and all such payments so made to any such registered owner or upon his order and shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the School District nor the Registrar or the Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the School District shall execute and the Registrar shall authenticate and deliver Bond in accordance with the provisions of this Resolution. Neither the School District nor the Registrar or the Paying Agent shall be obliged to make any such transfer of Bonds during the fifteen (15) days preceding the maturity date on such Bond.

SECTION 8. Form of Bonds. The Bonds shall be substantially in the form attached hereto as Exhibit A and incorporated herein by reference, subject to such changes, additions or deletions as may be approved by the District Superintendent.

SECTION 9. Execution and Delivery of the Bonds. The Bonds shall be executed in the name of the School District with the manual or facsimile signature of the Chair or Vice Chair of the Board attested by the manual or facsimile signature of the Secretary of the Board under the seal of the School District which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. The Bonds shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

The School District Representatives are further authorized and directed to deliver the respective Bonds upon the terms and conditions provided herein and under the SCAGO GO Program, to receive or cause to be received the proceeds of the sale of the respective Bonds, to execute and deliver such certificates

and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the respective Bonds.

Each participating school district in the SCAGO GO Program will be the issuer of its respective GO Debt and undivided proportionate interests therein will be evidenced by the SCAGO Certificates executed and delivered under the SCAGO Trust Agreement. The Board approves and consents to the assignment and pledge of the Bonds under the provisions of the SCAGO Trust Agreement and approves the execution and delivery by trustee of the SCAGO Certificates upon payment of the purchase price thereof, all as contemplated by the SCAGO GO Program.

SECTION 10. Sale of Bonds; Form of Notice of Sale. The respective Bonds shall be sold at public sale, after advertisement of the sale in a newspaper having general circulation in the State or, as determined by the District Superintendent, upon advice of Compass in a financial publication published in the City of New York or, in the discretion of the District Superintendent, in both publications. As authorized by Section 11-27-50(7)(b) of the S.C. Code the advertisement must appear not less than seven (7) days prior to the date set as a sale date for such sale.

The Summary Notice of Sale shall be in substantially the form set forth as Exhibit B unless such Bonds are sold outside of the SCAGO GO Program.

SECTION 11. Deposit and Use of Proceeds. Upon the purchase and delivery of the respective Bonds, at the direction of the Treasurer of Spartanburg County (the "County Treasurer"), the amount of proceeds needed to make the Installment Payments and the Acquisition Payments may be deposited with the Trustee or such other appropriate party and held in such appropriate fund or account as necessary to make such Installment Payments or Acquisition Payments.

(b) The amount of proceeds not needed for the Installment Payments and costs of issuance derived from the sale of the Bonds shall be deposited with the County Treasurer in a special fund to the credit of the School District and shall be applied solely to the purposes for which the respective Bonds have been issued, including payment of costs of issuance of the Bond or at the direction of the County Treasurer, the proceeds derived from the sale of the Bonds, less costs of issuance, shall be deposited into an acquisition fund in the name of the School District to be known as the "School District No. 5 of Spartanburg County, South Carolina, General Obligation Bond, Series 2020 Acquisition Fund" (or such other appropriate designation) (the "Acquisition Fund"), which shall be established under the SCAGO Trust Agreement. The School District may withdraw amounts from the Acquisition Fund on the date of delivery of the respective Bonds and thereafter on any business day. "Business Day" shall mean any day except Saturday, Sunday or a holiday.

(c) The costs of issuance of the Bonds shall, at the direction of the County Treasurer, be deposited in the Costs of Issuance Account of the Expense Fund created pursuant to the SCAGO Trust Agreement or may be paid as determined by a School District Representative. Any remaining proceeds shall be applied for any purposes authorized by the Board.

(d) Disbursements from the Acquisition Fund and the Expense Fund (as defined in the SCAGO Trust Agreement) shall be made upon the written order of a School District Representative or the County Treasurer, as designated on the appropriate form solely for the purpose for which the Bonds were issued.

SECTION 12. Security. The full faith, credit and taxing power of the School District are hereby irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County in the same manner as county taxes

are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The Auditor and Treasurer of the County shall be notified as to the delivery of and payment for the Bonds and are hereby directed to levy and collect, respectively, on all taxable property in the School District, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 13. Sinking Fund; Payment of Bonds. The School District covenants that it will deposit or cause to be deposited into the applicable sinking fund, and the County Treasurer is hereby authorized and directed to deposit or cause to be deposited into such sinking fund payments relating to the Bonds on or before their respective maturity date. The County Treasurer, on behalf of the School District and at the written direction of a School District Representative, shall transfer or cause to be transferred from time to time any moneys then on deposit in the sinking fund to the trustee under the SCAGO Trust Agreement.

SECTION 14. Federal Tax Covenants. The School District hereby covenants and agrees with the holders of the Tax-Exempt Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax-Exempt Bonds to become includable in the gross income of the bondholders thereof for federal income tax purposes pursuant to the provisions of the IRC and the regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds and that no use of the proceeds of the Tax-Exempt Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be an “arbitrage bond” as defined in the IRC and to that end the School District shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the IRC so long as the Tax-Exempt Bonds are outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the IRC relating to required arbitrage rebate of certain amounts to the United States; and

(c) make such reports of information at the time and places required by the IRC.

SECTION 15. Exemption from State Taxes. Both the principal of and interest on the Bonds shall in accordance with the provisions of Section 12-2-50 of the S.C. Code be exempt from all State, county, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 16. Events of Default. The School District agrees that each of the following events may be considered an “Event of Default” under the SCAGO Trust Agreement:

(a) If default shall be made in the due and punctual payment of principal of or any interest on the Bonds, including failure to make when due a sinking fund payment under Section 13 of this Resolution; or

(b) If the School District shall default in the performance of any covenant, agreement or condition on its part to be performed under the Bonds or this Resolution other than a default in payment, and such default shall continue for a period of 30 days after written notice thereof is received by the School District.

SECTION 17. Remedies. The School District agrees that each of the following may be included as remedy for an “Event of Default” under the SCAGO Trust Agreement:

(a) In any case of an Event of Default, the trustee under the SCAGO Trust Agreement may take such action or actions for the enforcement of the rights of the owners as due diligence, prudence and care would require and to pursue the same with like diligence, prudence and care, including commencement of an action for mandamus or other appropriate action to require the School District to comply with the terms of this Resolution.

(b) If the School District shall fail or refuse to make any required deposit on the relevant sinking fund payment date in order to make the transfer to its applicable Sinking Fund Account, the Trustee under the SCAGO Trust Agreement, shall take such action as is necessary to invoke the provisions of Section 59-71-155 of the S.C. Code regarding transfers from the State general fund to make payments on bonded indebtedness of South Carolina school districts; and upon being indemnified against cost and expense, exercise any remedy at law or in equity for the benefit of the owners of the SCAGO Certificates, and shall disburse all funds so collected to the holders of the SCAGO Certificates or assignee of the Bonds.

SECTION 18. SCAGO. The School District hereby authorizes SCAGO to facilitate the sale of the respective Bonds together with other GO Debt issued by other participating school districts in the SCAGO GO Program as determined by SCAGO.

SECTION 19. Acknowledgement of SCAGO Certificates; Registered Owner; Limitation of Liability. The School District, by participating in the SCAGO GO Program, recognizes the rights of the owners of the SCAGO Certificates, acting directly or through the trustee under the SCAGO Trust Agreement, to enforce the obligations and covenants contained in the Bonds and this Resolution; provided that in no event shall the School District be liable for any obligations, covenants or damages except those which arise out of the Bonds authorized by this Resolution, and, in particular, the School District shall not be liable for any obligations, liabilities, acts or omissions of SCAGO or any other participating school district in the SCAGO GO Program.

SECTION 20. Discharge of Resolution. If the School District shall pay or cause to be paid, or there shall otherwise be paid, to the owner or owners of a SCAGO Certificate, the total principal and interest due or to become due thereon through maturity (as determined in accordance with the SCAGO Trust Agreement), in the manner stipulated therein and in this Resolution, then the pledge of the full faith, credit and taxing power of the School District under this Resolution, and all covenants, agreements and other obligations of the School District hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied with respect to the Bonds for which such payment was made.

SECTION 21. Continuing Disclosure. If applicable, the School District hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate. Notwithstanding any other provisions of this Resolution, failure of the School District to comply with the Continuing Disclosure Certificate shall not be considered an event of default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School District to comply with their obligations under this Section.

SECTION 22. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the School District covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the School District within thirty (30) days of the School District’s receipt thereof; and (b) within thirty (30) days of the

occurrence thereof, relevant information of an event which, in the opinion of the School District, adversely affects more than five percent (5%) of the School District's revenue or its tax base.

SECTION 23. Declaration of Intent to Reimburse Certain Expenditures. This Resolution shall constitute the School District's declaration of official intent pursuant to Regulation §1.150-2 of the IRC to reimburse the School District from a portion of the proceeds of the Bonds for expenditures it anticipates incurring (the "Expenditures") with respect to the Projects prior to the issuance of the Bonds. The Expenditures which are reimbursed are limited to Expenditures which are: (1) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the IRC) under general federal income tax principals; or (2) certain *de minimis* or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the IRC. The source of funds for the Expenditures will be the School District's reserve funds. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date such Projects were placed in service, but in no event more than three (3) years after the original Expenditures.

SECTION 24. Authorization. The Chair of the Board, the Vice Chair of the Board, the Secretary of the Board, the District Superintendent and Finance Director, are fully empowered and authorized to take such further action and to execute and deliver such additional documents and certificates as may be necessary to effect the issuance of the respective Bonds. The District Superintendent is hereby authorized to retain the Burr & Forman LLP (Burr Forman McNair), as bond counsel, and Compass Municipal Advisors, LLC, as Financial Advisor, with respect to the issuance of the Bonds. The District Superintendent is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 25. Repeal of Conflicting Resolutions. All rules, policies, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed, and this Resolution shall take effect and be in full force from and after its adoption.

[Signature page follows]

Adopted this 13th day of April, 2020.

BOARD OF TRUSTEES, SCHOOL DISTRICT NO. 5
OF SPARTANBURG COUNTY, SOUTH
CAROLINA

(SEAL)

Chair

ATTEST:

Secretary

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY
GENERAL OBLIGATION BOND, [TAXABLE] SERIES ____

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>BOND PAYMENT</u> <u>DATE</u>	<u>ORIGINAL</u> <u>ISSUE</u> <u>DATE</u>

PRINCIPAL AMOUNT: \$ _____
REGISTERED HOLDER: South Carolina Association of Governmental Organizations

KNOW ALL MEN BY THESE PRESENTS, that the School District identified above (the "School District"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable at maturity, and shall be payable to the person in whose name this Bond is registered on the registration books of the School District maintained by the registrar, presently the School District (the "Registrar". The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check, draft or transfer of funds.

The principal and interest on this Bond shall be paid to the Trustee under the SCAGO Trust Agreement (as defined in the Resolution hereinafter defined) on or before the Bond Payment Date shown above.

This Bond shall not be entitled to any benefit under the Resolution of the School District authorizing this Bond (the "Resolution"), nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest on this Bond as they respectively mature and for the creation of such sinking fund as may be necessary therefor the full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged, and there shall be levied annually by the Auditor of the County in which the School District is located (the "County") and collected by the Treasurer of the County, in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 15 of the Constitution of the State of South

Carolina, 1895, as amended; Title 59, Chapter 71, Article 1, Code of Laws of South Carolina, 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; and the Resolution.

This Bond is not subject to redemption prior to maturity.

Except for the initial assignment of this Bond to the Trustee under the SCAGO Trust Agreement (as defined in the Resolution), this Bond is transferable, only upon the books of the School District kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully registered Bond of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution. The School District, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the School District does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the School District sufficient to pay the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, the aforesaid School District has caused this Bond to be signed with the manual/facsimile signature of the Chair of the Board of Trustees of the School District, attested by the manual/facsimile signature of the Secretary of the Board of Trustees of the School District and the seal of the School District impressed, imprinted or reproduced hereon.

SCHOOL DISTRICT NO. 5 OF
SPARTANBURG COUNTY, SOUTH
CAROLINA

(SEAL)

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is the bond described in the within mentioned Resolution of School District No. 5 of Spartanburg County, South Carolina.

SCHOOL DISTRICT NO. 5 OF SPARTANBURG
COUNTY, SOUTH CAROLINA, as Registrar

By: _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN NET - as tenants by the
entireties
under Uniform Gifts to
JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

UNIF GIFT MIN ACT -
_____ Custodian _____
(Cust) (Minor)
Minors Act _____
(State)

Additional abbreviations may also be used though not in above list.

EXHIBIT B

FORM OF SUMMARY NOTICE OF SALE

NOTICE IS HEREBY GIVEN that each of the following school districts (the “School Districts”) shall offer collectively for public sale its general obligation bonds (collectively, the “Bonds”) in the amounts indicated on _____, _____, 20__.

[PRINCIPAL AMOUNTS AND NAMES OF PARTICIPATING SCHOOL DISTRICTS]

The Bonds will be collectively sold as the South Carolina Association of Governmental Organizations Certificates of Participation, Series 20__ (Evidencing Undivided Proportionate Interests in General Obligation Debt of Certain South Carolina School Districts).

Sale Date: _____, 20__

Sale Time: ____:00 a.m., South Carolina time

Bonds Dated: _____, 20__

Interest Payment: March ___, 20__

Maturity: March ___, 20__

Redemption Provisions: The Certificates and Bonds are not subject to redemption.

Book-Entry-Only: The Bonds will be book-entry-only.

Legal Opinion: Burr & Forman LLP, Columbia, South Carolina

Financial Advisor: Compass Municipal Advisors, LLC, Columbia, South Carolina

Proposals will be received by Compass Municipal Advisors, LLC, on behalf of the South Carolina Association of Governmental Organizations and the School Districts. The Certificates will be issued in book-entry only form in denominations of \$100,000 and integral multiples of \$1,000 in excess of \$100,000. A copy of the Preliminary Offering Circular in deemed final form and the Official Terms and Conditions of Sale are available via the internet at officialstatements.compassmuni.com.

For additional information, please contact the School Districts’ Bond Counsel, Francenia B. Heizer, Esquire, Burr & Forman LLP (Burr Forman McNair), telephone: 803.799.9800; e-mail: fheizer@burr.com or the School Districts’ financial advisor, Brian G. Nurick, Compass Municipal Advisors, LLC, telephone: 803.733.1604; e-mail: brian.nurick@compassmuni.com.

*Preliminary, subject to change.