
A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$4,375,000 GENERAL OBLIGATION BONDS, SERIES 2018A, OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA, FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE CHAIR OF THE BOARD OF TRUSTEES AND THE 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: January 22, 2018

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:

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in an Initial Bond held by the Depository. In determining any Beneficial Owner the School District, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the School District, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

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

“Bondholders” or the term “Holders” or any similar term shall mean the registered owner or owners of any outstanding Bond or Bonds.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds may be transferred only through a book-entry and (b) physical Bond certificates in fully registered form are registered only in the name of the Depository or its nominees as Holder, with the physical Bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the Bond, when subject to the Book-Entry System.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 9 hereof.

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

“Depository” shall mean any securities Depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Government Obligations” shall mean (1) cash; (2) United States Treasury Obligations – State and Local Government Series; (3) United States Treasury bills, notes, bonds or zero coupon treasury bonds all as traded on the open market; (4) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, including CATS TIGRS and similar securities; (5) obligations of any agencies or instrumentalities which are backed by the full faith and credit of the United States of America; (6) bonds or debentures issued by any Federal Home Loan Bank or consolidated bonds or debentures issued by the Federal Home Loan Bank Board; (7) obligations of the Federal National Mortgage Association; (8) general obligations of the State or any of its political units which, at the time of purchase, carry an AAA rating from Standard & Poor’s or an Aaa rating from Moody’s Investors Service; or (9) any legally permissible combination of any of the foregoing. Government Obligations must be redeemable only at the option of the holder thereof.

“Initial Bonds” shall mean the Bonds initially issued in Book-Entry Form as provided in Section 6 hereof.

“Interest Payment Dates” shall mean September 1, 2018, and semiannually thereafter on March 1 and September 1 of each year or such other dates as the Chair of the Board or District Superintendent determine.

“Letter of Representations” shall mean the Blanket Letter of Representations executed and delivered by the School District to the Depository.

“Participant” shall mean any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

“Paying Agent” shall mean Regions Bank in Atlanta, Georgia, or such other bank selected by the Chair of the Board or District Superintendent.

“Record Date” shall mean the fifteenth (15th) day of the month immediately preceding each Interest Payment Date on the Bonds or the date of notice of any proposed redemption, if any, of the Bonds.

“Registrar” shall mean Regions Bank in Atlanta, Georgia, or such other bank selected by the Chair of the Board or District Superintendent.

“Resolution” shall mean this Resolution.

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

“School Bond Act” shall mean Title 59, Chapter 71, Article 1, Code of Laws of South Carolina 1976, as amended.

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

“Series 2018A Bonds” shall mean the General Obligation Bonds, Series 2018A, in the aggregate principal amount of not exceeding \$4,375,000 authorized to be issued pursuant to Section 3 hereof.

“State” shall mean the State of South Carolina.

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 of South Carolina.

(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 upon such terms and conditions as the General Assembly may prescribe.

(d) The School 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 to any amount not exceeding the constitutional debt limitation applicable to such school district. The School Bond Act requires the County Board of Education wherein the School District is located, if there is such, to approve the issuance of such bonds.

(e) The assessed value of all taxable property in the School District, as established by the last completed assessment thereof, is not less than \$260,515,536, which includes the 1987 assessed value of merchant's inventory of \$1,100,950. Eight percent (8%) of such sum is \$20,841,242. The outstanding general obligation debt of the School District is represented by the following:

(i) \$18,200,000 original principal amount General Obligation Bonds, Series 2015B (the "2015B Bonds"), dated July 15, 2015, currently outstanding in the principal amount of \$14,410,000 of which \$620,000 will be retired on March 1, 2018, leaving a principal balance of \$13,790,000; and

(ii) \$3,800,000 original principal amount General Obligation Bond, Series 2017 (the "2017 Bond"), dated May 17, 2017, currently outstanding in the principal amount of \$3,800,000, all of which matures on March 1, 2018.

After the principal payments made on March 1, 2018 on the 2015B Bonds and the 2017 Bond, the School District may incur \$7,051,242 of general obligation debt within its applicable constitutional debt limitation.

(f) Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, it is now in the best interest of the School District for the Board to provide for the issuance and sale of the general obligation bonds in the principal amount of not exceeding \$4,375,000 for the purposes of (i) defraying a portion of the costs of constructing a new Reidville Elementary School; and (ii) any other purposes permitted by the School Bond Act.

SECTION 3. Authorization and Details of Series 2018A Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$4,375,000 general obligation bonds of the School District to obtain funds for the purposes set forth in Section 2(f) above, including any engineering, architectural, financial and legal fees relating thereto and other incidental costs of issuing the Series 2018A Bonds. The Series 2018A Bonds shall be designated "\$4,375,000 [or original principal amount designated] General Obligation Bonds, Series 2018A, of School District No. 5 of Spartanburg County, South Carolina."

The Series 2018A Bonds shall be issued as fully registered bonds; shall be dated as of the date on which the Series 2018A Bonds are delivered to the initial purchaser(s) thereof or such other date as the Chair of the Board or the District Superintendent determines; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Series 2018A Bonds maturing in each year; shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) payable on each Interest Payment Date at such rate or rates as may be determined at the time of sale thereof by the Chair of the Board or the District Superintendent at the time of the sale thereof; and shall

mature in annual installments of principal on March 1 (or such other date as the Chair of the Board or the District Superintendent determine) of each year as determined by the Chair of the Board and District Superintendent pursuant to Section 4 hereof.

Both the principal of and interest on the Series 2018A 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 designated by the Chair or District Superintendent, Regions Bank in Atlanta, Georgia is hereby designated as the Registrar and Paying Agent for the Series 2018A Bonds. The Spartanburg County Treasurer or a bank designated by the initial purchaser of the Series 2018A Bonds and approved by the Chair of the Board or the District Superintendent may act as Paying Agent and Registrar for the Series 2018A Bonds.

SECTION 4. Chair or Vice Chair of Board of Trustees or the District Superintendent to Determine Certain Matters. The Chair of the Board (or in his absence, the Vice Chair) or the District Superintendent are hereby authorized and empowered to:

- (a) determine the original issue date of the Series 2018A Bonds;
- (b) determine the aggregate principal amount of the Series 2018A Bonds to be issued;
- (c) determine the first Interest Payment Date and the maturity dates of the Series 2018A Bonds and the respective principal amounts maturing on such dates;
- (d) determine whether the Series 2018A Bonds will be subject to redemption and, if so, determine the redemption terms and provisions;
- (e) determine whether any of the Series 2018A Bonds will be issued as term bonds and, if so, the principal amounts and maturity dates of the Series 2018A Bonds subject to mandatory sinking fund redemption;
- (f) designate the Paying Agent and Registrar for the Series 2018A Bonds, if different than as set forth in this Resolution;
- (g) determine the date and time of sale of the Series 2018A Bonds;
- (h) receive bids on behalf of the School District and award the sale of the Series 2018A Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Series 2018A Bonds;
- (i) make adjustments to the principal amounts of the Series 2018A Bonds immediately following the sale thereof; and
- (j) negotiate and execute all other contracts which may be necessary or required in connection with the issuance of the Series 2018A Bonds.

After the sale of the Series 2018A Bonds, the Chair of the Board or Vice Chair or the District Superintendent shall submit a written report to the Board setting forth the results of the sale of the Series 2018A Bonds.

SECTION 5. Redemption Provisions. As may be determined by the Chair of the Board or the District Superintendent pursuant to Section 4 above, the Series 2018A Bonds may be subject to

redemption at such times and upon such terms as they determine. The Series 2018A Bonds may be subject to redemption prior to maturity upon such terms and conditions as the Chair of the Board or the District Superintendent and the purchaser thereof agree upon.

If less than all the Series 2018A Bonds of any maturity are called for redemption, the Series 2018A Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event the Series 2018A Bonds or any portion thereof shall be called for redemption, notice of the redemption, describing the Series 2018A Bonds to be redeemed, specifying the redemption date and the redemption price payable on such redemption, shall be mailed by first-class mail, postage prepaid, to the registered owner thereof as shown on the registry books of the School District kept by the Registrar not less than thirty (30) days and not more than sixty (60) days prior to the redemption date. The notice of redemption may state that the redemption of the Series 2018A Bonds being called for redemption is conditional upon the Paying Agent receiving on or before the redemption date of sufficient money for the redemption thereof. If the Series 2018A Bonds or any portion thereof shall have been duly called for redemption and notice of the redemption mailed as aforesaid, and if on or before the date fixed for redemption, payment thereof shall be duly made or provided for, interest on the Series 2018A Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice.

SECTION 6. Book-Entry Bonds. If requested by the initial purchaser(s) of the Series 2018A Bonds, the Initial Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only through the Depository and its participants in accordance with rules specified by the Depository. Such beneficial ownership must be of \$5,000 principal amount of Series 2018A Bonds of the same series and maturity or any integral multiple of \$5,000.

The Initial Bonds will be issued in fully-registered form, as a single Series 2018A Bond representing the entire principal amount of the Series 2018A Bonds or one Series 2018A Bond for each of the maturities of the Series 2018A Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the School District shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Resolution, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the Series 2018A Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption, if any, of the Initial Bonds or any portion thereof shall be sent to the Depository in accordance with the provisions of this Resolution.

The Depository is expected to maintain records of the positions of Participants in the Initial Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Initial Bonds. The School District, the Paying Agent and the Registrar make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the School District, the Paying Agent and the Registrar shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

The School District, the Paying Agent and the Registrar may treat the Depository (or its nominee) as the sole and exclusive owner of the Series 2018A Bonds registered in its name for the purpose of payment of the principal of, premium, if any, or interest on the Series 2018A Bonds, giving any notice permitted or

required to be given to Bondholders under this Resolution, registering the transfer of Series 2018A Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The School District, the Paying Agent and the Registrar shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2018A Bonds under or through the Depository or any Participant, or any other person which is not shown on the Books of Registry of the School District maintained by the Registrar as being a Bondholder, with respect to: the accuracy of any records maintained by the Depository or any Participant or the maintenance of any records; the payment by the Depository or any Participant of any amount in respect of the principal of, premium, if any, or interest on the Series 2018A Bonds; the sending of any transaction statements; the delivery or timeliness or delivery by the Depository or any Participant of any notice which is permitted or required to be given to Bondholders thereunder; the selection of Bondholders to receive payments upon any partial redemption of the Series 2018A Bonds; or any consent given or other action taken by the Depository as a Bondholder.

SECTION 8. Successor Depository. If (a) the Depository determines not to continue to act as securities depository for the Series 2018A Bonds and gives reasonable notice to the Registrar and the School District, or (b) the School District has advised the Depository of the School District's determination that the Depository is incapable of discharging its duties, then the School District shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the School District or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the School District shall execute and deliver to the successor Depository the Series 2018A Bonds of the same principal amount, interest rate, redemption provisions, if any, and maturity. If the School District is unable to retain a qualified successor to the Depository, or the School District has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the Series 2018A Bonds might be adversely affected if the Book-Entry System of transfer is continued (the School District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2018A Bonds by mailing an appropriate notice to the Depository, upon receipt by the School District of the Initial Bonds together with an assignment duly executed by the Depository, the School District shall execute, authenticate and deliver to the Depository Participants' Bonds in fully-registered form, in substantially the form set forth in Section 13 of this Resolution in the denomination of \$5,000 or any integral multiple thereof.

SECTION 9. Registration, Transfer and Exchange of Series 2018A Bonds. The School District shall cause Books of Registry to be kept at the offices of the Registrar, for the registration and transfer of the Series 2018A 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 Series 2018A Bonds under such reasonable regulations as the Registrar may prescribe.

Each Series 2018A Bond 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 Series 2018A Bond, the Registrar on behalf of the School District shall issue in the name of the transferee a new fully registered Series 2018A Bond or Series 2018A Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2018A Bond. Any Series 2018A Bond surrendered in exchange for a new registered Series 2018A 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 Series 2018A Bond shall be registered upon the Books of Registry as the absolute owner of such Series 2018A Bond, whether such Series 2018A Bond shall be overdue or not, for the purpose of

receiving payment of the principal of and interest on such Series 2018A 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 Series 2018A 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 Series 2018A Bonds is exercised, the School District shall execute and the Registrar shall authenticate and deliver Bonds 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 Series 2018A Bonds during the fifteen (15) days preceding an Interest Payment Date on such Series 2018A Bonds.

SECTION 10. Record Date. The School District hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Series 2018A Bonds (the "Record Date"), and such Record Date shall be not more than fifteen (15) days preceding an Interest Payment Date on such Bond or, in the case of any proposed redemption of Series 2018A Bonds, such Record Date shall not be more than fifteen (15) days prior to the mailing of notice of redemption of Series 2018A Bonds.

SECTION 11. Mutilation, Loss, Theft or Destruction of Series 2018A Bonds. In case any Series 2018A Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the School District shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Series 2018A Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Series 2018A Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event, the applicant for the issuance of a substitute Series 2018A Bond shall furnish the School District and the Registrar evidence or proof satisfactory to the School District and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Series 2018A Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the School District and the Registrar. Any duplicate Series 2018A Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Series 2018A Bond or in substitution for any allegedly lost, stolen or wholly destroyed Series 2018A Bond shall be entitled to the identical benefits under this Resolution as was the original Series 2018A Bond in lieu of which such duplicate Series 2018A Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Series 2018A Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Series 2018A Bond shall be borne by the applicant therefor.

SECTION 12. Execution of Series 2018A Bonds. The Series 2018A Bonds shall be executed in the name of the School District with the manual or facsimile signature of the Chair of the Board (or in his or her absence, the Vice Chair of the Board) attested by the manual or facsimile signature of the Secretary of the Board under a facsimile of the seal of the School District which shall be impressed, imprinted or reproduced thereon. The Series 2018A Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Series 2018A Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 13. Form of Series 2018A Bonds. The Series 2018A Bonds shall be in substantially the following form. In the event the Series 2018A Bonds will be held by a single Bondholder, the form of bond may be revised as a single fully registered bond which sets forth any or all maturing principals amounts:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY
GENERAL OBLIGATION BOND, SERIES 2018A

No. R-

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>ORIGINAL</u> <u>ISSUE DATE</u>	<u>CUSIP</u>
___%			

REGISTERED HOLDER:

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that School District No. 5 of Spartanburg County, South Carolina (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 (unless this Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price made or provided for), upon presentation and surrender of this Bond at the principal office of Regions Bank, as paying agent (the "Paying Agent"), in Atlanta, Georgia, and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above (calculated on the basis of a 360-day year comprised of twelve 30-day months) until this Bond matures or is earlier redeemed. Interest on this Bond is payable on September 1, 2018, and semiannually thereafter on March 1 and September 1 of each year thereafter until this Bond matures or is earlier redeemed, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the School District maintained by Regions Bank, as registrar (the "Registrar"), in Atlanta, Georgia, at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date or proposed redemption (the "Record Date"). The principal, redemption premium, if any, 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 or draft as set forth above.

This Bond shall not be entitled to any benefit under the Resolution of the School District authorizing the Bonds, 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 Spartanburg County and collected by the Treasurer of Spartanburg 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 one of a series of Bonds of like date of original issue, tenor and effect, except as to date of authentication, number, date of maturity, principal amount, registered holder, redemption provisions and

rate of interest, aggregating \$4,375,000, 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 a Resolution duly adopted by the Board of Trustees of the School District on January 22, 2018 (the “Resolution”).

[This Bond is not subject to redemption prior to maturity]. This Bond and the series of which it is one maturing on or prior to March 1, 20__, shall not be subject to redemption prior to their stated maturities. This Bond and the series of which it is one maturing on or after March 1, 20__, shall be subject to redemption at the option of the School District on or after March 1, 20__, as a whole or in part at any time, in such order of their maturities as the School District shall determine and by lot within a maturity at a redemption price equal to 100% of the principal amount to be redeemed together with the interest accrued on such principal amount to the date fixed for redemption.

This Bond and the series of which it is one maturing on March 1, 20__ and 20__ (collectively, the “Term Bonds”) are subject to mandatory redemption by lot on March 1 of each of the years, beginning March 1, 20__, with respect to the Term Bonds becoming due in 20__, at a redemption price equal to one hundred percent (100%) of the principal of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>

*Final maturity

The amount of the mandatory redemption payments prescribed above shall be reduced in such order as the School District shall determine (in minimum increments of \$5,000) to the extent the Bonds of the applicable maturity have been purchased or redeemed pursuant to the operation of the optional redemption provisions set forth above.

At its option, to be exercised on or before the sixtieth (60th) day next preceding any mandatory redemption date, the School District may (a) deliver to the Paying Agent for cancellation Term Bonds of the applicable maturity in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for any Term Bonds of the applicable maturity which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the School District and cancelled by the Paying Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Term Bond of the applicable maturity so delivered or previously purchased or redeemed shall be credited at one hundred percent (100%) of the principal amount thereof, on the obligation of the School District on the respective mandatory redemption obligation in chronological order, and the principal amount of the Term Bonds of the applicable maturity to be redeemed shall be reduced accordingly.

In the event less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event this Bond is redeemable as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing the Bond and specifying the redemption date and the redemption price payable upon such redemption, shall be mailed by the Registrar by first-class mail, postage prepaid, to the registered owner thereof not less than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last address appearing upon the registration books of the School District. If this Bond be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue

from and after the redemption date hereof. The notice may further state that the redemption of this Bond being called for redemption is conditioned upon the School District or the Registrar receiving on or before the redemption date of sufficient money for the redemption thereof.

This Bond and the series of which it is one is transferable as provided in the Resolution, 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 or Bonds 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, SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the facsimile/manual signature of the Chair of the Board of Trustees of the School District, attested by the facsimile/manual 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

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

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

REGIONS BANK,
as Registrar

By: _____
Authorized Officer

Date of Authentication: _____

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

under Uniform Gifts to
Minors Act _____
(State)

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the registered bondholder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving legal opinion to be rendered shall be attached to each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the School District with a

facsimile signature of the Secretary of the Board of Trustees of the School District. Such certificate shall be in substantially the following form:

CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion of McNair Law Firm, P.A., Greenville, South Carolina, approving the issue of bonds of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the bonds, and a copy of which is on file with School District No. 5 of Spartanburg County, South Carolina.

SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY,
SOUTH CAROLINA

By: _____
Secretary, Board of Trustees

SECTION 14. Security for Series 2018A Bonds. The full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged for the payment of the principal and interest on the Series 2018A 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 Spartanburg County, and collected by the Treasurer of Spartanburg 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 Spartanburg County, South Carolina shall be notified as to the delivery of and payment for the Series 2018A Bonds and are hereby directed to levy and collect, respectively, 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 Series 2018A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 15. Defeasance. The obligations of the School District under this Resolution and the pledges, covenants and agreements of the School District herein made or provided for, shall be fully discharged and satisfied as to any portion of the Series 2018A Bonds, and such Series 2018A Bond or Series 2018A Bonds shall no longer be deemed to be outstanding hereunder when:

(A) such Series 2018A Bond or Series 2018A Bonds shall have been purchased by the School District and surrendered to the School District for cancellation or otherwise surrendered to the School District or the Paying Agent and is canceled or subject to cancellation by the School District or the Paying Agent; or

(B) payment of the principal of and interest on such Series 2018A Bonds either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably setting aside exclusively for such payment, (a) moneys sufficient to make such payment, or (b) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Series 2018A Bonds shall no longer be deemed to be outstanding hereunder, such Series 2018A Bonds shall cease to draw interest from the maturity date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Resolution.

SECTION 16. Exemption from State Taxes. Both the principal of and interest on the Series 2018A Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code 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 17. Sale of Series 2018A Bonds, Form of Notice of Sale. The Series 2018A Bonds shall be sold at public sale. A Notice of Sale in the form set forth below shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper having general circulation in the State of South Carolina, not less than seven (7) days prior to the date set for such sale.

The Notice of Sale shall be in substantially the following form:

NOTICE OF SALE
\$4,375,000 GENERAL OBLIGATION BONDS, SERIES 2018A,
OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY,
STATE OF SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that bids for the purchase of \$4,375,000 General Obligation Bonds, Series 2018A, of School District No. 5 of Spartanburg County, South Carolina (the "Series 2018A Bonds") will be received on behalf of the Board of Trustees (the "Board") of School District No. 5 of Spartanburg County, South Carolina (the "School District"), until _____ (South Carolina time) on _____, 2018, in the School District's offices, 100 North Danzler Road, Duncan, South Carolina 29334, or such other date and time as may be established by the School District and communicated by Bond Buyer Wire, Bloomberg Wire or other electronic information service, not less than 48 hours prior to the time proposals are to be received.

Mailed or Hand-Delivered Proposals: Each mailed or hand-delivered proposal should be enclosed in a sealed envelope marked "Proposal for \$4,375,000 General Obligation Bonds, Series 2018A, School District No. 5 of Spartanburg County, South Carolina" and should be directed to the District Superintendent at the address in the first paragraph hereof.

E-mail Proposals: E-mail proposals may be e-mailed to the attention of David D. Hayes, Director of Finance, at e-mail address: david.hayes@spart5.net, with a copy to with a copy to proposals@compassmuni.com with a copy to the School District's financial advisor Brian Nurick, Compass Municipal Advisors, LLC at brian.nurick@compassmuni.com and a copy to the School District's bond counsel, Daniel R. McLeod, Jr. at dmcleod@mcnair.net.

Facsimile Proposals: The School District will accept the facsimile transmission of a manually signed Official Bid Form or other form of bid at the risk of the bidder. The School District shall not be responsible for the confidentiality of bids submitted by facsimile transmission. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of David D. Hayes, Director of Finance, School District No. 5 of Spartanburg County, Fax: 864.439.0051.

Electronic Proposals: Electronic proposals may be submitted through i-Deal's Ipreo Electronic Bid Submission System ("Ipreo"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, New York, New York 10018, Customer Support, telephone 212.849.5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION, BY E-MAIL, OR BY ELECTRONIC PROPOSALS, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE SCHOOL DISTRICT AT THE PLACE, DATE AND TIME APPOINTED, AND THE SCHOOL DISTRICT SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Book-Entry-Only Bonds: The Series 2018A Bonds will be issued in fully registered form. If requested by the successful bidder, a single Bond or one Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Series 2018A Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as the Depository for the Series 2018A Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Series 2018A Bonds maturing each year; purchasers will not receive physical delivery of certificates representing their interest in the Series 2018A Bonds purchased. The winning bidder, as a condition to delivery of the Series 2018A Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. Notwithstanding the foregoing, at the request of the successful bidder, the Series 2018A Bonds will be issued as one single fully registered bond and not issued through the book-entry system.

The Series 2018A Bonds: The Series 2018A Bonds will be dated the date of their delivery; and will mature serially in successive annual installments on March 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

The Series 2018A Bonds shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from their date payable on September 1, 2018, and semiannually thereafter on March 1 and September 1 of each year.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Series 2018A Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 or 1/100 of 1% with no greater difference than three percent (3%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Series 2018A Bonds of that maturity from their date to such maturity date. A BID FOR LESS THAN ALL THE SERIES 2018A BONDS OR AT A PRICE LESS THAN PAR WILL NOT BE CONSIDERED.

Award of Bid: The Series 2018A Bonds will be awarded to the bidder or bidders offering to purchase the Series 2018A Bonds at the lowest true interest cost (TIC) to the School District. The TIC will be nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Series 2018A Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year comprised of twelve 30-day months) to the dated date of the Series 2018A Bonds, results in an amount equal to the price bid for the Series 2018A Bonds. In the case of a tie bid, the winning bid will be awarded by

lot. The Chair of the Board reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

For the purpose of calculating the yield on the Series 2018A Bonds for Federal tax purposes as a condition precedent to the award of the Series 2018A Bonds, the successful bidder will, within 30 minutes after being notified of its winning bid, advise the School District's Financial Advisor by telephone confirmed by facsimile transmission of the initial offering prices of the Series 2018A Bonds to the public (expressed as a price, exclusive of accrued interest, or yield per maturity).

Bid Form: It is requested but not required that your bid be submitted on the attached bid form.

Good Faith Deposit: No good faith deposit is required.

Adjustment of Maturity Schedule: If, after final computation of the proposals, the School District determines in its sole discretion that the funds necessary to accomplish the purposes for which the Series 2018A Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the aggregate principal amount of the Series 2018A Bonds, and the principal amount of Series 2018A Bonds maturing in each year (all calculations to be rounded to the nearest \$5,000), provided that any such decrease or increase shall not exceed 15% of the par amount of the Series 2018A Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Series 2018A Bonds. In order to calculate the yield on the Series 2018A Bonds for federal tax law purposes and as a condition precedent to the award of the Series 2018A Bonds, bidders must disclose to the School District in connection with their respective bids the price (or yield to maturity) at which each maturity of the Series 2018A Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Series 2018A Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Series 2018A Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Series 2018A Bonds offered, without taking into account any adjustment in the amount of the Series 2018A Bonds pursuant to this paragraph. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Redemption Provisions: [The Series 2018A Bonds are not subject to redemption prior to maturity]. The Series 2018A Bonds maturing on or prior to March 1, 20__, shall not be subject to redemption prior to their stated maturities. The Series 2018A Bonds maturing on or after March 1, 20__, shall be subject to redemption at the option of the School District on or after March 1, 20__, as a whole or in part at any time, in such order of their maturities as the School District shall determine at a redemption price equal to 100% of the principal amount of such Bonds to be so redeemed, plus interest accrued to the redemption date.

Bidders' Special Option for Term Bonds: Bidders submitting proposals may specify that all the principal amount of Series 2018A Bonds maturing on any two or more consecutive annual payment dates on or after March 1, 20__, may, in lieu of maturity on each of such dates, be combined to comprise one or more maturities of the Series 2018A Bonds scheduled to mature on the latest of such annual payment dates (the "Term Bonds"). Term Bonds shall be subject to redemption through mandatory sinking fund installments at par in the amount that would have matured in each year as set forth in this Notice, on each of the annual principal payment dates, except for the principal amount of Series 2018A Bonds scheduled to mature on the latest such annual payment date, which Bonds shall mature on such annual principal payment date. Bidders may specify one or more of such Term Bonds and such specifications may be made at the time of the award.

Mandatory Sinking Fund Redemption: The Series 2018A Bonds will be subject to mandatory redemption if and to the extent the option to establish Term Bonds is exercised by the successful bidder.

Registrar and Paying Agent: Regions Bank in Atlanta, Georgia will act as Paying Agent and Registrar for the Bonds.

Purposes: The Series 2018A Bonds are being issued to defray the costs of construction of Reidville Elementary School.

Security: The Series 2018A Bonds shall constitute binding general obligations of the School District and the full faith, credit, resources and taxing power of the School District are hereby irrevocably pledged for the payment of the principal and interest on the Series 2018A 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 Spartanburg County Auditor and collected by the Spartanburg County Treasurer 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 Series 2018A Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Municipal Bond Insurance: A bidder may, at its option, purchase a policy of insurance relating to the Series 2018A Bonds to be effective as of the date of their issuance. Notice of obtaining a commitment for such insurance may be obtained from the bond insurers. If a bidder for the Series 2018A Bonds desires to have the Series 2018A Bonds so insured, the bidder should specify in its bid for the Series 2018A Bonds whether bond insurance will be purchased. The premium on such bond insurance must be paid at or prior to the closing by the successful bidder. Any failure of the Series 2018A Bonds to be so insured or of any such policy of insurance to be issued shall not constitute cause for a failure or refusal by the purchaser of the Series 2018A Bonds to accept delivery of and pay for the Series 2018A Bonds.

Official Statement: The School District deems the Preliminary Official Statement to be “final” as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Upon the award of the Series 2018A Bonds, the School District will prepare a Final Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Series 2018A Bonds, the School District will provide the successful bidder a sufficient quantity of Official Statements to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the School District all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Series 2018A Bonds.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the School District will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The School District shall furnish upon delivery of the Series 2018A Bonds the final approving opinion of the McNair Law Firm, P.A., Greenville, South Carolina, which opinion shall be attached to each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Series 2018A Bonds.

Financial Advisor: Compass Municipal Advisors, LLC, has acted as Financial Advisor to the School District in connection with the issuance of the Series 2018A Bonds. In this capacity, Compass Municipal

Advisors, LLC provided technical assistance in the preparation of the offering documents and assisted the School District in preparing for this financing.

Certificate as to Issue Price: The successful bidder must provide a certificate to the School District by the date of delivery of the Series 2018A Bonds, stating the initial reoffering price of the Series 2018A Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Series 2018A Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Series 2018A Bonds will be delivered through the facilities of DTC in New York, New York, on or about _____, 2018, at the expense of the School District or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The purchase price then due must be paid in federal funds or other immediately available funds.

Postponement: The School District reserves the right to postpone, from time to time, the date established for the receipt of bids. The School District will communicate any such change in the sale date through Bond Buyer Wire, Bloomberg Wire, or other electronic information service, not less than 48 hours prior to the time proposals are to be received. If any date fixed for the receipt of bids and the sale of the Series 2018A Bonds is postponed, any alternative sale date will be announced through Bond Buyer Wire, Bloomberg Wire or other electronic information service at least 48 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a sealed, facsimile, or electronic bid for the purchase of the Series 2018A Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the date of sale and except for the changes announced through Bond Buyer Wire, Bloomberg Wire, or other electronic information service at the time the sale date and time are announced.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Series 2018A Bonds, but neither the failure to print such numbers on any Series 2018A Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2018A Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Series 2018A Bonds shall be paid for by the School District provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information: The Preliminary Official Statement of the School District with respect to the Series 2018A Bonds is available via the internet at <http://www.compassmuni.com/statements.asp> and will be furnished to any person interested in bidding for the Series 2018A Bonds upon request to Compass Municipal Advisors, LLC. The Preliminary Official Statement should be reviewed by bidders prior to submitting a bid. Persons seeking information should communicate with:

Mr. David D. Hayes
Director of Finance
School District No. 5 of Spartanburg County
100 North Danzler Road
Duncan, SC 29334
Telephone: 864.949.2350
E-Mail: david.hayes@spart5.net

Daniel R. McLeod, Jr., Esq.
Bond Counsel
McNair Law Firm, P.A.
104 South Main Street, 7th Floor
Greenville, SC 29601
Telephone: 864.271.4940
E-Mail: dmcleod@mcnair.net

Mr. Brian Nurick
Managing Director
Compass Municipal Advisors, LLC
1219 Assembly Street, Suite 202

Michael W. Burns, Esq.
Bond Counsel
McNair Law Firm, P.A.
104 South Main St., 7th Floor

Columbia, SC 29201
Telephone: 803.733.1604
E-Mail: brian.nurick@compassmuni.com

Greenville, SC 29601
Telephone: 864.271.4940
E-Mail: mburns@mcnair.net

School District No. 5 of Spartanburg County, South Carolina

SECTION 18. Preliminary and Final Official Statement. The Board hereby authorizes and directs the District Superintendent to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Series 2018A Bonds together with the Notice of Sale. The Board authorizes the District Superintendent to designate the Preliminary Official Statement as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The District Superintendent is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Series 2018A Bonds so that it may be provided to the purchaser of the Series 2018A Bonds.

SECTION 19. Continuing Disclosure. The School District hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit A. 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 its obligations under this Section. The District Superintendent or the Director of Finance is hereby authorized to establish written procedures relating to the School District’s continuing disclosure obligations in connection with the Series 2018A Bonds.

SECTION 20. Filings with Central Repository. In accordance with Section 11-1-85 of the South Carolina 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 (5%) of the School District’s revenue or its tax base.

SECTION 21. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds must be deposited with the Treasurer of Spartanburg County in a special fund to the credit of the School District and must be applied solely to the purposes for which the Series 2018A Bonds were issued, including payment of costs of issuance of the Series 2018A Bonds, except that the accrued interest, if any, must be used to discharge in part the first interest to become due on the Series 2018A Bonds.

SECTION 22. Federal Tax Covenants. The School District hereby covenants and agrees with the holders of the Series 2018A Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2018A Bonds to become includable in the gross income of the bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Series 2018A Bonds and that no use of the proceeds of the Series 2018A Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Series 2018A Bonds would have caused the Series 2018A Bonds to be “arbitrage bonds”, as defined in Section 148 of the Code, and to that end the School District hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2018A 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 Code relating to required rebates of certain amounts to the United States; and

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

The District Superintendent or the Director of Finance is hereby authorized to adopt written procedures to ensure the School District's compliance with federal tax matters relating to the Series 2018A Bonds and other federal tax exempt debt heretofore or hereafter issued by the School District.

SECTION 23. Miscellaneous. The District Superintendent is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements. To the extent deemed advisable, the Board hereby authorizes the District Superintendent and the Financial Advisor to submit applications to municipal bond insurance companies for bond insurance or other credit enhancements relating to the Series 2018A Bonds. The District Superintendent is hereby authorized to accept on behalf of the School District the proposal deemed most advantageous to the School District. The Board hereby authorizes the Chair and Secretary of the Board, the District Superintendent and the Director of Finance to execute such documents and instruments as may be necessary to effect the issuance of the Series 2018A Bonds or make modifications in any documents including but not limited to the form of the Bond or Notice of Sale. The Board hereby authorizes the District Superintendent, with the assistance of the Financial Advisor, to negotiate the terms of, and execute in the name and on behalf of the School District, investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the Series 2018A Bonds, to prepare and solicit bids for providers of such agreements and to execute, in the name and on behalf of the School District, written confirmations of any such agreements and other documents as may be necessary in connection therewith. The Board hereby authorizes the District Superintendent to retain McNair Law Firm, P.A. as bond counsel, and Compass Municipal Advisors, LLC as Financial Advisor, in connection with the issuance of the Series 2018A Bonds.

SECTION 24. 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 Code to reimburse the School District from a portion of the proceeds of the Series 2018A Bonds for expenditures it anticipates incurring in an approximate amount of \$_____ (the "Expenditures") with respect to the projects described in Section 2(f) hereof prior to the execution and delivery of the Series 2018A Bonds. The Expenditures which are reimbursed are limited to Expenditures which are: (a) 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 Code) 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 Code. The source of funds for the Expenditures with respect to the projects described in Section 2(f) hereof will be the School District's general or capital projects 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 25. Repeal of Conflicting Resolutions. All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Series 2018A 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 22nd day of January, 2018.

SCHOOL DISTRICT NO. 5 OF
SPARTANBURG COUNTY, SOUTH CAROLINA

Chair, Board of Trustees

(SEAL)

ATTEST:

Secretary, Board of Trustees

[Signature Page]

EXHIBIT A

FORM OF CONTINUING DISCLOSURE UNDERTAKING

School District No. 5 of Spartanburg County, South Carolina, General Obligation Bonds, Series 2018A

This Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") is executed and delivered by School District No. 5 of Spartanburg County, South Carolina (the "School District") in connection with the issuance of \$_____ original principal amount General Obligation Bonds, Series 2018, (the "Series 2018 Bonds"). The Series 2018 Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the School District on January 22, 2018 (the "Resolution"). The School District covenants and agrees as follows:

SECTION 1. Purpose of the Continuing Disclosure Undertaking. This Continuing Disclosure Undertaking is being executed and delivered by the School District for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"**Annual Report**" shall mean any Annual Report provided by the School District pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Undertaking.

"**Bond Resolution**" shall mean the Resolution adopted by the Board of Trustees of the School District authorizing the Series 2018A Bonds.

"**Dissemination Agent**" shall mean the School District or any successor Dissemination Agent designated in writing by the School District and which has filed with the School District a written acceptance of such designation.

"**Listed Events**" shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Undertaking.

"**National Repository**" shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board or any successor National Repositories as determined by the Securities and Exchange Commission.

"**Participating Underwriter**" shall mean Citigroup Global Markets Inc. and any other original underwriter of the Series 2018A Bonds required to comply with the Rule in connection with offering of the Series 2018A Bonds.

"**Repository**" shall mean the National Repository and the State Depository, if any.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**Series 2018A Bonds**" shall mean the \$_____ original principal amount General Obligation Bonds, Series 2018A, of School District No. 5 of Spartanburg County, South Carolina, dated _____, 2018.

"State Depository" shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The School District shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2019, to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Continuing Disclosure Undertaking. Not later than fifteen (15) business days prior to such date the School District shall provide the Annual Report to the Dissemination Agent, if other than the School District; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date, unaudited financial statements of the School District may be included in such Annual Report in lieu thereof, and the School District shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. 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 Continuing Disclosure Undertaking; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report.

(b) If the School District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the School District shall send a notice to the National Repository and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of the National Repository and the State Depository, if any; and

(2) if the Dissemination Agent is other than the School District, file a report with the School District and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Continuing Disclosure Undertaking, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

SECTION 4. Content of Annual Reports. The School District's Annual Report shall contain or incorporate by reference the following:

(a) The Audited Financial Statements for the fiscal year ended on the previous June 30, prepared in conformity with generally accepted accounting principles applicable as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of financial information). If the School District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall include unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Series 2018A Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report within 15 days after said financial statements become available.

(b) Financial information relating to the School District's General Fund revenues and expenditures for the previous five fiscal years, prepared substantially in the form of and updating the table

appearing in the Official Statement under the heading, "FINANCIAL INFORMATION—General Fund Five-Year Summary-SUMMARY OF ACTUAL REVENUES AND EXPENDITURES – GENERAL FUND”.

(c) Information concerning the assessed value of taxable real and personal property in the School District for each of the five previous fiscal years prepared substantially in the form and updating the table shown in the Official Statement under the heading, "CERTAIN FISCAL MATTERS--Assessed Value of Taxable Property."

(d) (i) Information showing the *ad valorem* property taxes collected for the School District for each of the five previous fiscal years prepared substantially in the form of and updating the table shown in the Official Statement under the heading, "CERTAIN FISCAL MATTERS --Tax Collections."

(e) (i) Information showing the legal debt limit of the School District as of June 30 of the previous fiscal year or some later date, substantially in the form shown in the Official Statement under the heading, "DEBT STRUCTURE--Legal Debt Limit" and (ii) information showing the outstanding indebtedness of the School District, including long-term lease obligations and other long-term liabilities, as of June 30 of the previous fiscal year or some later date, substantially in the form of and updating the table and information in the Official Statement under the heading, "DEBT STRUCTURE--Outstanding Debt–Description of General Obligation Indebtedness by Issue” and the composite debt service table in the Official Statement under the heading, "DEBT STRUCTURE– Composite Debt Service."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the School District is an "obligated person" (as defined by the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the National Repository. The School District shall clearly identify each such other document so incorporated by reference. The School District may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the Securities and Exchange Commission.

SECTION 5. Format of Annual Report. The Annual Report (including the audited financial statements of the School District) shall be submitted to the National Repository as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means and must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function available in most standard software packages).

SECTION 6. Reporting of Significant Events.

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events"):

- (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 or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material;

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the School District;

Note to subsection (a)(12) of this Section 6: For the purposes of the event described in subsection (a)(12) of this Section 6, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, 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 order 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 Person.

(13) The consummation of a merger, consolidation or acquisition involving the School District or the sale of all or substantially all of the assets of the School District 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;

(14) Appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(15) Tender offers.

(b) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (10), (13), or (14) above, the School District shall as soon as possible determine if such event would be material under applicable federal securities laws. If the School District determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the School District shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the School District obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (11), (12) or (15) above, the School District shall promptly, and no later than 10 business days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Series 2018A Bonds. For the purposes of the event identified in (a)(13) 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 School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, 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 School District.

SECTION 7. Termination of Reporting Obligation. The School District's obligations under this Continuing Disclosure Undertaking shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2018A Bonds.

SECTION 8. Dissemination Agent. The School District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the School District.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the School District may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the School District, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule. In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the School District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver.

SECTION 10. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the School District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the School District shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the School District, or the Dissemination Agent to comply with any provision of this Continuing Disclosure Undertaking, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the School District, or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the School District, or the Dissemination Agent to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The provisions of this Section 12 shall apply if the School District is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Undertaking, and to the extent permitted by applicable law and other public policy considerations, the School District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the School District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018A Bonds.

SECTION 13. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the School District, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Series 2018A Bonds and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Continuing Disclosure Undertaking 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.

SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY,
SOUTH CAROLINA

By: _____
Superintendent

Dated: _____, 2018

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: School District No. 5 of Spartanburg County, South Carolina

Name of Bond Issue: \$_____ General Obligation Bonds, Series 2018A of
School District No. 5 of Spartanburg County, South Carolina

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that School District No. 5 of Spartanburg County, South Carolina (the "School District") has not provided an Annual Report with respect to the above-named Series 2018A Bonds as required by Sections 3 and 4 of the Continuing Disclosure Undertaking executed and delivered by the School District as Dissemination Agent. The School District has notified us in writing that the Annual Report will be filed by _____.

Dated: _____

SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY,