
A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF A NOT EXCEEDING \$4,000,000 GENERAL OBLIGATION BOND, SERIES 2019B, OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA, FIXING THE FORM AND CERTAIN DETAILS OF THE BOND; AUTHORIZING THE CHAIR OR VICE-CHAIR OF THE BOARD OF TRUSTEES OR THE SUPERINTENDENT OF THE SCHOOL DISTRICT TO DETERMINE CERTAIN MATTERS RELATING TO THE BOND; PROVIDING FOR THE PAYMENT OF THE BOND AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Adopted: April 22, 2019

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:

“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 Series 2019B Bond.

“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.

“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.

“Interest Payment Dates” shall mean March 1, 2020, and annually thereafter on March 1 of each year, or such other dates as the Chair or Vice-Chair of the Board or District Superintendent determine.

“Paying Agent” shall mean Regions Bank in Atlanta, Georgia, or the Spartanburg County Treasurer, as selected by the Chair or Vice-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 Series 2019B Bond or the date of notice of any proposed redemption, if any, of the Series 2019B Bond.

“Registrar” shall mean Regions Bank in Atlanta, Georgia, or the Spartanburg County Treasurer, as selected by the Chair or Vice-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 2019B Bond” shall mean the General Obligation Bond, Series 2019B, in the principal amount of not exceeding \$4,000,000 authorized to be issued pursuant to this Resolution.

“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 is not less than \$285,636,551, which includes the 1987 assessed value of merchant’s inventory of \$1,100,950. Eight percent of such sum is \$22,930,924. As of the date hereof, 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, dated July 15, 2015, currently outstanding in the principal amount of \$13,070,000; and (ii) \$4,375,000 original principal amount General Obligation Bonds, Series 2018A, dated March 29, 2018, currently outstanding in the principal amount of \$3,575,000. As of the anticipated date of issuance of the Series 2019B Bond: (i) the School District anticipates that it will have issued general obligation bonds in the principal amount not to exceed \$3,000,000 pursuant to the South Carolina Association of Governmental Organizations pooled general obligation debt program, and (ii) not less than \$2,223,856 will be on deposit in the School District’s bond sinking fund, which amount may be deducted from the total outstanding principal amount of the School District’s outstanding general obligation indebtedness. Accordingly, as of the anticipated date of issuance of the Series 2019B Bond, the School District may issue the Series 2019B Bond in the principal amount of not exceeding \$4,000,000 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 Series 2019B Bond in the principal amount of not exceeding \$4,000,000 for the purposes of: (i) defraying the costs of designing, acquiring, constructing, equipping and furnishing, as applicable, one or more of the following projects: (A) classroom additions to Abner Creek Academy; (B) parking lot improvements at Byrnes High School; (C) baseball field improvements at Byrnes High School; and (D) any other purposes permitted by the School Bond Act; and (ii) paying the costs of issuance of the Series 2019B Bond.

SECTION 3. Redemption Provisions. The redemption terms applicable to the Series 2019B Bond shall be determined by the Chair or Vice-Chair of the Board or the District Superintendent.

SECTION 4. Chair or Vice-Chair of Board of Trustees or the District Superintendent to Determine Certain Matters. The Chair or Vice-Chair of the Board or the District Superintendent are hereby authorized and empowered to:

- (a) determine the original issue date of the Series 2019B Bond;
- (b) determine the aggregate principal amount of the Series 2019B Bond to be issued;
- (c) determine the Interest Payment Dates and the maturity dates of the Series 2019B Bond and the respective principal amounts maturing on such dates;
- (d) determine whether to designate the Series 2019B Bond as a “qualified tax exempt obligation” for purposes of Section 265(b)(3) of the Code;
- (e) determine whether the Series 2019B Bond will be subject to redemption prior to maturity and, if so, determine the redemption terms and provisions;
- (f) designate the Paying Agent and Registrar for the Series 2019B Bond, if different than as set forth in this Resolution;
- (g) receive proposals for the Series 2019B Bond on behalf of the School District and award the sale of the Series 2019B Bond to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Series 2019B Bond; and
- (h) negotiate and execute all other contracts which may be necessary or required in connection with the issuance of the Series 2019B Bond.

After the sale of the Series 2019B Bond, the Chair or Vice-Chair of the Board or the District Superintendent shall submit a written report to the Board setting forth the results of the sale of the Series 2019B Bond.

SECTION 5. Registrar and Paying Agent. Unless otherwise designated by the Chair or Vice-Chair of the Board or the District Superintendent, Regions Bank or the Spartanburg County Treasurer may act as Paying Agent and Registrar for the Series 2019B Bond.

SECTION 6. Registration, Transfer and Exchange of Series 2019B Bond. The Series 2019B Bond shall be registered in the name of the initial purchaser thereof, as the registered owner, at the office of the Registrar and approved by the Chair or Vice-Chair of the Board or the District Superintendent on the

Books of Registry to be kept for that purpose, and such registration shall be noted on the registration attached to the Series 2019B Bond, after which no transfer of such Series 2019B Bond shall be effective unless made on such Books of Registry by the registered owner in person or its duly authorized legal representative and similarly noted on the Series 2019B Bond.

With the consent of the initial purchaser of the Series 2019B Bond, and notwithstanding any provision to the contrary contained in this Resolution or in the Series 2019B Bond, the Series 2019B Bond may be sold or transferred by the initial purchaser thereof only to purchasers (“Qualified Investors”) who execute an investment letter delivered to the School District, in form satisfactory to the School District (the “Investment Letter”), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Series 2019B Bond. Such restrictions shall be set forth on the face of the Series 2019B Bond and shall be complied with by each transferee of the Series 2019B Bond.

SECTION 7. Execution of Series 2019B Bond. The Series 2019B Bond 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 a facsimile of the seal of the School District which shall be impressed or affixed thereon.

SECTION 8. Form of Series 2019B Bond. The Series 2019B Bond shall be in substantially the following form:

(FORM OF BOND)

THIS BOND MAY BE SOLD OR TRANSFERRED IN WHOLE OR IN PART ONLY TO A PURCHASER OR TRANSFEEE CONSTITUTING A QUALIFIED INVESTOR (AS SUCH TERM IS DEFINED IN THE HEREAFTER DEFINED RESOLUTION UNDER WHICH THIS BOND IS ISSUED), AND ONLY UPON SUCH QUALIFIED INVESTOR DELIVERING TO THE SCHOOL DISTRICT AN INVESTMENT LETTER IN THE FORM REQUIRED UNDER THE RESOLUTION.

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY
GENERAL OBLIGATION BOND, SERIES 2019B

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 _____, in _____, _____ (the “Bank”), its successors or registered assigns, the principal amount of \$_____ together with interest on the unpaid principal balance hereof at the rate of ___% per annum. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Interest on this Bond is payable [semi]annually on March 1 [and September 1] of each year until maturity [or prior redemption] commencing March 1, 2020; and will mature on March 1 in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
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Both the principal of and interest on this Bond are payable at the offices of [Regions Bank, Atlanta, Georgia or Spartanburg County Treasurer] as Paying Agent, 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. [Both the principal of and interest on this Bond are payable at the office of the Paying Agent, without presentation and surrender of this Bond, 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, the Purchaser agrees to surrender this Bond before or with within a reasonable time after its final maturity.

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 a Resolution duly adopted by the Board of Trustees of the School District on April 22, 2019 (the “Resolution”).

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 not subject to redemption prior to its stated maturity.]

This Bond is transferable as provided in the Resolution, only upon the registration books of the School District kept for that purpose at the office of [Regions Bank in Atlanta, Georgia or Spartanburg County Treasurer], as 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 date 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 thereof 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 manual or facsimile signature of the Chair of the Board of Trustees of the School District, attested by the manual or facsimile signature of the Secretary of the Board of Trustees of the School District under the seal of the School District impressed or affixed hereon and this Bond to be dated the ___ day of _____, 2019.

SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

REGISTRATION

This Bond has been registered in the name of _____, in _____, on the registration books kept by _____.

Dated this __ day of _____, 2019.

_____, Registrar

By: _____

SECTION 9. Security for Series 2019B Bond. 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 2019B Bond as they respectively mature and to create 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 Series 2019B Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

The Auditor of Spartanburg County and the Treasurer of Spartanburg County shall be notified as to the delivery of and payment for the Series 2019B Bond 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 Series 2019B Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 10. 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 2019B Bond, and such Series 2019B Bond shall no longer be deemed to be outstanding hereunder when:

(A) such Series 2019B Bond 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 2019B Bond 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 2019B Bond shall no longer be deemed to be outstanding hereunder, such Series 2019B Bond 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 11. Exemption from State Taxes. Both the principal of and interest on the Series 2019B Bond 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 12. Sale of Series 2019B Bond, Form of Notice of Sale. The Series 2019B Bond shall be sold at public sale. A Notice of Sale in the form set forth below shall be distributed to prospective bidders as determined by the Financial Advisor, and a summary of such Notice of Sale shall be published in a newspaper having general circulation in the State 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
\$ _____ GENERAL OBLIGATION BOND, SERIES 2019B,
OF SCHOOL DISTRICT NO. 5 OF SPARTANBURG COUNTY,
STATE OF SOUTH CAROLINA

Bid Date: _____, 2019
Bid Time: _____, South Carolina Time
E-mail: David.Hayes@spart5.net ;
proposals@compassmuni.com; mburns@burr.com

[BANK QUALIFIED]

Time and Place of Sale: NOTICE IS HEREBY GIVEN that proposals for the purchase of the \$4,000,000* General Obligation Bond, Series 2019B, of School District No. 5 of Spartanburg County, South Carolina (the "Series 2019B Bond") will be received on behalf of the Board of Trustees of School District No. 5 of Spartanburg County, South Carolina (the "School District"), in the School District Administrative Offices, 100 North Danzler Road, Duncan, South Carolina 29334, until __: __ __.m, South Carolina time, on ____ __, 2019, 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 shall be enclosed in a sealed envelope marked “Proposal for \$4,000,000 General Obligation Bond, Series 2019B, School District No. 5 of Spartanburg County, South Carolina” and should be directed to the Finance Director of the School District at the address in the first paragraph hereof.

E-Mail Proposals: Proposals may be made by e-mail to: David Hayes, the School District’s Finance Director, at e-mail: david.hayes@spart5.net with a copy to the School District’s financial advisor, Compass Municipal Advisors, LLC, at e-mail: proposals@compassmuni.com, and a copy to the School District’s Bond Counsel, Burr & Forman LLP, at e-mail: mburns@burr.com.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL OR BY E-MAIL, 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.

Series 2019B Bond: The Series 2019B Bond will be dated its date of delivery; and will mature in annual installments on March 1 in each of the years and in the principal amounts as follows:

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

*Preliminary, subject to adjustment as described below.

The Series 2019B Bond will bear interest from its date payable on March 1 [and September 1] of each year commencing March 1, 2020, until maturity or prior redemption. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Adjustment of Maturity Schedule: The School District reserves the right to decrease the aggregate principal amount of the Series 2019B Bond and to either decrease or increase the principal amount of Series 2019B Bond maturing in each year, provided that any such adjustments shall be made within twenty-four (24) hours of the award of the Series 2019B Bond. In the event of any adjustment of the maturity schedule for the Series 2019B Bond as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Series 2019B Bond will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Series 2019B Bond offered, without taking into account any adjustment in the amount of the Series 2019B Bond pursuant to this paragraph. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Bid Requirements: Bidders shall specify a single rate of interest per annum which the Series 2019B Bond is to bear. The Series 2019B Bond is being sold at par. A bid for less than the entire issue, or a bid at a price less than par, will not be considered. It is preferred that a bidder’s proposal not be

subject to further credit or underwriting approval. Bids requiring an increase in the applicable interest rate on the Series 2019B Bond due to changes in the bidder's capital requirements or cost of capital or for any other reason will be rejected.

Award of Bond: The Series 2019B Bond will be awarded to the bidder or bidders offering to purchase the Series 2019B Bond at the lowest true interest cost (TIC) to the School District. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Series 2019B Bond (computed at the interest rate 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 2019B Bond, results in an amount equal to the price bid for the Series 2019B Bond. In the case of a tie bid, the winning bid will be awarded by lot. The School District 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. Bids must include any expenses to be incurred by the proposer which are expected to be paid by the School District. Such expenses will be included as additional interest in making the calculation for award of the winning bid.

Paying Agent and Registrar: [Regions Bank in Atlanta, Georgia][The Spartanburg County Treasurer] will act as Paying Agent and Registrar for the Series 2019B Bond.

Redemption Provisions: Unless otherwise specifically provided in a bidder's proposal and agreed to by the School District, the Series 2019B Bond will be subject to prepayment at the option of the School District in whole or in part at any time with no prepayment penalty.]

Purposes: The Series 2019B Bond is issued for the following purposes: (i) defraying the costs of designing, acquiring, constructing, equipping and furnishing, as applicable, one or more of the following projects: (a) classroom additions to Abner Creek Academy; (b) parking lot improvements at Byrnes High School; (c) baseball field improvements at Byrnes High School; and (d) any other purposes permitted by Section 59-71-10 *et seq.*, Code of Laws of South Carolina 1976, as amended; and (ii) paying the costs of issuance of the Series 2019B Bond.

Security: The Series 2019B Bond shall constitute a binding general obligation of the School District and the full faith, credit, resources and taxing power of the School District will be irrevocably pledged for the payment of the principal and interest on the Series 2019B Bond 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 2019B Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

Bank Qualified: The School District has designated the Series 2019B Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct, from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.]

Tax Exemption and Other Tax Matters: The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions that relate to tax-exempt obligations, such as the Series 2019B Bond, including, among other things, permitted uses and investment of the proceeds of the Series 2019B Bond and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest on the Series 2019B Bond becoming subject to federal income taxation retroactive to the date of issuance of the Series 2019B Bond.

The School District has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Series 2019B Bond from gross income for federal tax purposes. Failure of the School District to comply with the covenant could cause the interest on the Series 2019B Bond to be taxable retroactively to the date of issuance.

Interest on the Series 2019B Bond is not an item for tax preference for purposes of the federal alternative minimum tax.

The Purchaser of the Series 2019B Bond should consult its tax advisors with respect to collateral tax consequences of ownership of the Series 2019B Bond, such as the calculation of alternative minimum tax, environmental tax or foreign branch profits tax liability, the tax on passive income of S corporations, the inclusion of Social Security or other retirement payments in taxable income, or the portion of interest expense of a financial institution which is allocable to tax-exempt interest.

South Carolina Taxation: The interest on the Series 2019B Bond is exempt from all State taxation except estate or other transfer taxes. Section 12-11-20 of the South Carolina Code of Laws 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed at the rate of 4-1/2% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue and Taxation require that the term “entire net income” includes income derived from any source whatsoever including interest on obligations of any state and any political subdivision thereof. Interest on the Series 2019B Bond will be included in such computation.

Legal Opinion: The issuance of the Series 2019B Bond is subject to the approving opinion of Burr & Forman LLP, Bond Counsel, as to the validity of the issuance of the Series 2019B Bond under the Constitution and laws of the State.

Financial Advisor: Compass Municipal Advisors, LLC has acted as Financial Advisor to the School District in connection with the issuance of the Series 2019B Bond. 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.

Written Confirmation: The successful bidder will be required to execute a Written Confirmation of Lender to the School District in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

Miscellaneous: Bidders are requested to indicate their intentions with respect to subsequent sales or transfers of the Series 2019B Bond. Bidders must indicate whether any commitment fee will be required or whether the School District will be requested to reimburse the successful bidder for out-of-pocket expenses and counsel fees.

Delivery: The Series 2019B Bond will be delivered on or about _____, 2019, in Duncan, South Carolina. The purchase price then due must be paid in federal funds or other immediately available funds.

Additional Information: Bidders may not rely on this Notice of Sale as to the complete information concerning the Series 2019B Bond. Persons seeking additional information should communicate with:

David Hayes
Finance Director
School District No. 5 of Spartanburg County
864.949.2350
e-mail: david.hayes@spart5.net

Michael W. Burns, Esq.
Burr & Forman LLP
864.271.4940
e-mail: mburns@burr.com

Brian Nurick
Compass Municipal Advisors, LLC
Managing Director
803.733.1604
e-mail: brian.nurick@compassmuni.com

Brandon T. Norris, Esq.
Burr & Forman LLP
864.271.4940
e-mail: bnorris@burr.com

School District No. 5 of Spartanburg County, South Carolina

Exhibit A

FORM OF WRITTEN CONFIRMATION OF LENDER

[Date of Closing]

Board of Trustees
School District No. 5 of Spartanburg
County, South Carolina
Duncan, South Carolina

Burr & Forman LLP
Greenville, South Carolina

Compass Municipal Advisors, LLC
Columbia, South Carolina

\$_____ General Obligation Bond, Series 2019B, School District No. 5 of Spartanburg County,
South Carolina

Ladies and Gentlemen:

The undersigned, on behalf of [NAME OF LENDER], as purchaser of the above-referenced Bond (the "**Lender**"), has agreed to purchase the above-referenced Bond issued by School District No. 5 of Spartanburg County, South Carolina (the "**School District**").

The Lender hereby represents to you that:

- (1) The Bond is non-transferable or restricted to transfer to acquirers similar to Lender.
- (2) The Bond may be transferred through participation or syndication only.
- (3) The financing arrangement between the Lender and the Bond is represented solely by the Bond, which is a contract between the parties thereto.

- (4) The Bond is not rated by a credit rating agency.
- (5) The Bond is not assigned a CUSIP number.
- (6) Assignment of Lender's rights under the Bond is subject to the terms and conditions of the Bond.
- (7) There is no agreement facilitating creation of a market for trading, such as a marketing or remarketing agreement or continuing disclosure agreement, with respect to the Bond or any obligations thereunder.
- (8) The terms of the Bond have been negotiated between Lender and the School District.
- (9) The obligations of the Lender under the Bond will be those of the Lender, not the securities affiliate of the Lender.
- (10) Lender will treat the transaction contemplated by the Bond as a loan, not a security, for accounting and regulatory purposes.
- (11) Registration is in physical form, in name of the Lender.
- (12) The Lender has sufficient knowledge and experience in financial and business matters, including those involving loans to public bodies, to be able to evaluate the risks and merits of the credit represented by the purchase of the Bond.
- (13) The Lender understands that no official statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the School District and the Bond is being issued, and that, in due diligence, it has made its own inquiry and analysis with respect to the School District, the Bond, and other material factors affecting the security for and payment of the School District's obligations under the Bond.
- (14) The Lender acknowledges that it has either been supplied with or has access to information, including financial statements and other financial information, regarding the School District, to which a reasonable lender would attach significance in making credit decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the School District, the Bond and the security therefor, so that as a reasonable lender, it has been able to make its decision to purchase the Bond.
- (15) The Lender understands that the scope of engagement of Burr & Forman LLP, as Bond Counsel, with respect to the Bond has been limited to matters set forth in their opinion based on their view of such legal proceedings as they deem necessary to approve the validity of the Bond.

[LENDER]

[END OF FORM OF NOTICE OF SALE]

SECTION 13. Filings with Central Repository. In accordance 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 (5%) of the School District's revenue or its tax base.

SECTION 14. Deposit and Use of Proceeds. The proceeds derived from the sale of the Series 2019B Bond shall be deposited with the Treasurer of Spartanburg County in a special fund to the credit of the School District, and shall be applied solely to the purposes for which the Series 2019B Bond has been issued, including payment of costs of issuance of the Series 2019B Bond, except that the accrued interest, if any, shall be used to discharge in part the first interest to become due on the Series 2019B Bond.

SECTION 15. Federal Tax Covenants. The School District hereby covenants and agrees with the holder of the Series 2019B Bond that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2019B Bond to become includable in the gross income of the holder thereof 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 2019B Bond and that no use of the proceeds of the Series 2019B Bond shall be made which, if such use had been reasonably expected on the date of issue of the Series 2019B Bond would have caused the Series 2019B Bond 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 2019B Bond is 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 2019B Bond and other federal tax exempt debt heretofore or hereafter issued by the School District.

SECTION 16. Miscellaneous. The Board hereby authorizes the Chair or Vice-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 2019B Bond or make modifications in any documents including but not limited to the form of the Series 2019B Bond and the Notice of Sale. The Board hereby authorizes the District Superintendent to retain Burr & Forman LLP as bond counsel, and Compass Municipal Advisors, LLC as financial advisor, in connection with the issuance of the Series 2019B Bond.

SECTION 17. 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 2019B Bond for expenditures it anticipates incurring in an approximate amount of \$125,000 (the "Expenditures") with respect to the projects described in Section 2(f) prior to the execution and delivery of the Series 2019B Bond. 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 (b) 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) will be the School District's general 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 18. 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 2019B Bond 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 April, 2019.

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

(SEAL)

Chair

ATTEST:

Secretary

[Signature page of Resolution]